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Peru

Lima radio reports Peru's "public enemy number one," Shining Path Leader Abimael Guzman Reynoso was captured along with a number of other guerrillas in the Surco District of Lima as they were "planning actions to be carried out in Lima in October." The "terrorists" offered "no resistance" during the operation, according to Dincote [Counterterrorism National Directorate], the success of which was the "result of long and silent intelligence work."

In his address to the nation, carried live by Lima radio and TV, President Fujimori praised the work of the intelligence services in this "success of great importance." Guzman, a "diabolical genius", "confused a sector of Peruvian youth, democratic governments, and even international organizations" which gave him support and asylum over the last 12 years. We must "not be overconfident" in the wake of his capture Fujimori warned, and urged listeners "not to let our guard down for a single second" while stating his commitment "to defeat the terrorist groups before 1995." The "monster," the "exterminator" Guzman, "who has caused so much damage to Peru," will "receive the maximum punishment possible," Fujimori promised.

Brazil

Citing FOLHA DE SAO PAULO Madrid EFE reports that Vice President Franco "suspects" President Collor "personally ordered" the tapping of his phones in Brasilia and Rio de Janeiro. Franco told his advisers the order to "spy on him came from Collor or from his closest assistants," because next door to the house from which his calls were intercepted is an empty house "administered by the Presidency General Secretariat."

O ESTADO DE SAO PAULO reports Collor "liberated his shock battalion" to "unleash" a "bombardment" on his adversaries that would include "the release of documents and details on each one's personal life." "No one will be spared" the investigation into checks, bank reports, deposit notes, tax reports, and other documents, his advisers warned. "Preferred targets" include PMDB [Brazilian Democratic Movement Party] President Orestes Quercia, PT [Workers Party] President Luiz Inacio Lula de Silva, PSDB [Brazilian Social Democracy Party] President Tasso Jereissati, some senators, and possibly governors.

Brasilia radio reports Social Action Minister Ricardo Fiuza "has been designated new government secretary of the Presidency" to replace Jorge Bornhausen who resigned. Fiuza will hold both ministerial positions as social action minister and political coordinator of the government.

Whether the Chamber of Deputies decides to impeach President Collor or not, Economy Minister Marcilio Marques Moreira "and his entire team will offer their resignations," O GLOBO reports. Both Marques and Central Bank President Francisco Gros said, however, that they will only leave the government if Vice President Franco "decides not to use their services."

ICJ Rules on Salvadoran-Honduran Border

Tegucigalpa Radio and Television Networks reports Salvadoran President Cristiani stated there is "joint resolve to accept and fulfill faithfully and unequivocally the decision reached by the ICJ" and that due to the 1980 general peace treaty signed in Lima, he is obligated to "observe formally and unreservedly the ICJ's decision." Honduran President Callejas stated, the ruling "ends the conflict between two neighboring countries which...have a common destiny" and shows "the entire world that any dispute...can be resolved in a civilized and conciliatory manner." ACAN reports Central America "received with relief and satisfaction" the ICJ ruling. In addition, San Salvador TV reports Salvadoran Defense Minister General Rene Emilio Ponce and General Luis Alonso Discua, commander of the Honduran Armed Forces, "have said they will respect the ICJ ruling" and "will enforce its compliance."

San Salvador radio carries an interview with Farabundo Marti National Liberation Front [FMLN] Commander Jorge Melendez. He states that although it is considered "negative," the

FMLN "will respect the ruling and its consequences." Regarding the Salvadoran communities in the areas which will go to Honduras, Melendez stated, "the most important task is to guarantee fundamental rights, to respect the will of the people, and to ensure fair treatment for the people of these communities." Furthermore, the FMLN is "interested in having these areas declared peace zones to avoid militarization" and the "presence of the Honduran Army in those territories is illegal."

ICJ Issues Salvadoran-Honduran Border Ruling

PA1109140892 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 11 Sep 92

[Excerpts] We now have a report from our reporter, Jorge Velasquez, from the Radio Netherlands studios: [Begin recording] [Unidentified announcer] The International Court of Justice [ICJ] at The Hague has just issued a ruling on the El Salvador-Honduras border dispute which, as one of the magistrates commented before the final session began, is one of the most complicated cases ever submitted to this superior tribunal. Jorge Velasquez is at the studios. Jorge, can you give us any information on the ruling?

[Velasquez] Let me provide a summary, and hope that this does not hurt anyone's feelings. The ruling adjudicates two-thirds of the disputed area to Honduras and one-third to El Salvador. The ICJ also has ruled that El Salvador will have sovereignty over the Meanguera and Meanguerita Islands, while Honduras will have sovereignty over El Tigre Island. As everyone knows, the three islands are in the Gulf of Fonseca, which borders on Honduras, El Salvador, and Nicaragua. The ruling also gives Honduras access to the Pacific Ocean which, as I mentioned in an earlier report, was one of Honduras' greatest aspirations. The ICJ ruling also says that from now on the Gulf of Fonseca will be subject to the exercise of joint sovereignty by the aforementioned three states. I would prefer not to go into any further details, and hope that the parties will spend time reflecting on and evaluating what they have gained with this ICJ ruling. [passage omitted] [end recording]

[Announcer] Here is a report direct from The Hague: Diplomatic sources from the two countries believe that today the ICJ ruled in favor of Honduras when it delimited the border with El Salvador and the waters of the Gulf of Fonseca. The reading of the ruling—on six portions of disputed land—took more than two hours. The ICJ used the rivers as a demarcation point which, according to a Salvadoran diplomat, affected El Salvador negatively. Only the sector of Tepanguisir was adjudicated to El Salvador, while the other five portions of land were adjudicated to Honduras. Honduran diplomats considered this first part of the ruling as very favorable. The ICJ then took a break before it continued reading the part of the ruling dealing with some 15 small islands located in the Gulf of Fonseca, the legal situation of the Gulf itself, and its interior and exterior waters. The reading of the ruling will continue at 1400 hours, 1200 GMT, and the two countries' representatives plan to hold news conferences at 1630 local, 1430 GMT, after making an initial analysis of the ruling. The ICJ's ruling is very complicated due to the geographical data it contains, and so the two delegations will have to study the text of the ruling with the help of expert cartographers before an in-depth evaluation can be made.

Cristiani, Callejas Cited

PA1109201992

[Editorial Report] Tegucigalpa Radio and Television Networks in Spanish at 1653 GMT on 11 September carries live the ceremony at the El Amatillo border area where Salvadoran President Alfredo Cristiani and Honduran President Rafael Leonardo Callejas acknowledged the International Court of Justice, ICJ, decision on their countries' 130-year border conflict. The ceremony was dubbed the "Brotherhood Event."

The event opens with Presidents Callejas and Cristiani greeting each other and their guests. After the national anthems of El Salvador and Honduras are played, Monsignor Gregorio Rosa Chavez and the Archbishop of Tegucigalpa Hector Santos y Hernandez give the invocation.

Nicaraguan President Violeta Chamorro; Guatemalan President Jorge Serrano Elias; Belizean Prime Minister George Price; Herman Serrano Pinto, first vice president of Costa Rica; OAS Secretary General Joao Baena Soares; UN Representative Fernando Zumbado; and Roberto Carpio Nicolle, president of the Central American Parliament are present.

Also present are the president of the Salvadoran Legislative Assembly, the president of the Honduran congress, the deputies of the Salvadoran Legislative Assembly and Honduran Congress, the presidents and justices of the Honduran and Salvadoran Supreme Courts of Justice, the foreign ministers and deputy foreign ministers of Central America and friendly countries, and representatives of the Colombian, Spanish, and Mexican Governments.

President Cristiani says: "The presidents of El Salvador and Honduras have gathered on 11 September on the border between the two countries to tell our people and neighboring countries of Central America and the international community of our joint resolve to accept and fulfill faithfully and unequivocally the decision reached by the ICJ Special Bench [sala especial], which was officially announced on 11 September in The Hague.

"The general peace treaty signed by the Salvadoran and Honduran Governments in Lima, Peru in 1980 obligates us to observe formally and unreservedly the ICJ's decision on pending border issues. I am resolved to fulfill that legal duty, but my resolve goes beyond that because it is based on full recognition of the benefits of peaceful coexistence among nations."

President Callejas says: "On 30 October 1980 in Lima, capital of Peru; Honduras and El Salvador signed a general peace treaty. Both countries took a decisive step toward resolving the conflict that had prompted confrontations between them from the time of the painful incidents of July 1969. With the signing and later confirmation of the general peace treaty, a lengthy process of negotiations to normalize relations between the two states was fulfilled. Today, 11 September 1992, the

awaice of the ICJ decision ends the conflict between two neighboring countries which, by historical design, have a common destiny.

"The Governments of El Salvador and Honduras, small countries of the Central American isthmus, upon adopting one of the means of resolving controversies designated by international law, have fulfilled the pacifist mandates of their peoples and have shown the entire world that any dispute, regardless of how complex it may be, can be resolved in a civilized and conciliatory manner."

Area Leaders Comment

PA1209185792 Panama City ACAN in Spanish 2200 GMT 11 Sep 92

[Text] San Salvador, 11 Sep (ACAN-EFE)— Central America received the 11 September International Court of Justice [ICJ] at The Hague ruling on the new border demarcation between El Salvador and Honduras with relief and satisfaction. The ruling concludes peacefully a regional dispute that has caused many years of conflict and war.

Presidents Rafael Callejas and Alfredo Cristiani said the ICJ ruling on the new border demarcation between Honduras and El Salvador was historic, just, and conciliatory. The presidents embraced each other after they learned of the ruling and promised to comply with and respect it.

The Honduras and Salvadoran presidents said the ICJ has met the territorial demands made by their governments and solved a dispute dating back to 1861 that had triggered the "Soccer War," in which 5,000 people died.

A Salvadoran commander told ACAN-EFE: "The soccer war ended up in a tie." He added that he believes the ruling was impartial. Diplomatic representatives said the ICJ decision was "Solomonic" and everyone agrees it is historic and conciliatory for the region.

The importance of the ruling was noticeable at the Goascaran international bridge in the El Amatillo border area, where the Salvadoran and Honduran presidents met to learn of the ruling. The presidents were accompanied by Guatemalan President Jose Elias Serrano, Nicaraguan President Violeta Chamorro, and OAS Secretary General Joao Baena Soares.

Belizean Prime Minister George Price, Costa Rican Vice President German Serrano, Central American Parliament President Roberto Carpio, top Salvadoran and Honduran military leaders, and other personalities completed the list of officials who attended the Central American mini-summit at El Amatillo.

They all highlighted that the event was a historic landmark in the region, that it will promote the integration process in their countries, and that it will also bring a respite to the political situation on the isthmus, starting in Nicaragua or El Salvador and going all the way up to Guatemala.

Rafael Callejas and Alfredo Cristiani, the presidents of Honduras and El Salvador, respectively, said the ruling had been "just" and called "for the past to be forgotten on behalf of peace." Peace, they added, had been their countries' goal almost since their borders were fixed in 1571, when they were two Spanish provinces, which later became states.

Nicaraguan President Violeta Chamorro said the occasion "was something wonderful and that is why I am here. I come to express my solidarity with Honduras and El Salvador and to give them strength so that we can forget the war."

Guatemalan President Jorge Serrano asserted the ruling will contribute to the well-being that Central America has always wanted. Costa Rican Foreign Minister Bernd Niehaus pointed out that the ruling was reason for the "satisfaction, happiness, and pride of Honduras and El Salvador. The entire region celebrates the event."

In San Jose, Costa Rican President Rafael Angel Calderon stated that The Hague ruling avoids future confrontations between those nations and promotes peace in the region.

Panamanian President Guillermo Endara said the ruling was "very important and civilized" and reiterated his "sorrow" for not being able to join his Central American colleagues "in this crucial hour for peace in the region."

Honduran Vice President Jacobo Hernandez Cruz, who presided over the Day of Honduras at the Seville World's Fair, applauded the ruling and said it was "a very important" step in the right direction for both countries.

OAS Secretary General Joao Baena Soares declared: "Our contribution has been permanently in favor of peace. Thus, we are pleased that a final solution, which gladdens all the American Continent, has been reached."

Spanish General Victor Suanzes Pardo, chief of the UN Observers for El Salvador, told ACAN-EFE that the end of the dispute "will bring well-being." Suanzes added that he does not expect incidents at the border areas because of problems in the land demarcation process.

Juan Ramon Medrano, a guerrilla commander of the Farabundo Marti National Liberation Front, which maintained intense activity in the disputed areas, considered that the ruling had been just and asserted that "both governments will respect it and the Salvadoran people will do so, too."

Gerson Martinez, another FMLN leader, referred to the area's community residents, who were the guerrilla's social base, and whose territories will now belong to Honduras. He said: "the important thing is to safeguard their security and well-being."

The disputed areas consist of 419.5 sq km on the mainland and more than a dozen small islands in the Gulf of Fonseca. Thousands of extremely poor peasants live in those areas and their futures are uncertain, although a commission has been formed to protect their interests.

Military Heads Accept

PA120918599215 San Salvador Canal Doce Television in Spanish 0300 GMT 12 Sep 92

[Report by Alfredo Villareal]

[Text] Salvadoran Defense Minister General Rene Emilio Ponce and General Luis Alonso Discua, commander of the Honduran Armed Forces, have said they will respect the International Court of Justice [ICJ] ruling on the border differences between El Salvador and Honduras.

After being informed of the irrevocable ruling, the two officials stated they will enforce its compliance. The ruling grants territory to Honduras and acknowledges Salvadoran sovereignty over some islands.

[Begin Ponce recording] We view this ruling as a historic event that once and for all establishes the borders between two sister nations, El Salvador and Honduras. I think we have closed a chapter in our history and that a new chapter begins. We now face the common challenge of integrating all Central America in peace and democracy. [end recording]

The Honduran military commander said that the step that has been taken is a sign of integration.

[Begin recording] [Discua] This ceremony speaks for itself. We are demonstrating that Honduras and El Salvador are acting fraternally. Everything is going on as expected in our countries.

[Unidentified reporter] Have Honduran troops already entered the land pocket that had been in dispute?

[Discua] A binational commission is studying problems that may emerge in those areas. We are hoping that everything will go on without incident. [end recoding]

For some people, especially for the Salvadorans who live in the border pocket areas that were lost, the ICJ ruling will call for some serious adjustments.

Regional Military Leaders Discuss Border Dispute

PA1109182192 San Salvador EL DIARIO DE HOY in Spanish 10 Sep 92 p 3

[Text] Representatives of the military leadership of Honduras, Guatemala, and El Salvador met in San Salvador on 9 September to analyze the different military problems confronted by the three countries.

Even though the main topic was the illegal arms traffic from Nicaragua to the rest of the region, they also discussed the problem of drug trafficking in the isthmus.

The military leaders also discussed the unconditional support of the Armed Forces to the ruling of the International Court of Justice at The Hague to be announced on 11 September. The Governments of Honduras and El Salvador have prepared a special ceremony to be held on the bridge that spans the Goascoran river at the El Amatillo border post.

Salvadoran Defense Minister General Rene Emilio Ponce told EL DIARIO DE HOY these meetings are part of the rapprochement program of the three countries' Armies.

Ponce added: "We hold military meetings to strengthen the ties and erase the ill will existing in sectors that reject the integration of the area."

Minister Ponce said "this meeting proves the friendship between the armies and shows that those who speak of differences are either sleepless politicians or people seeking some personal benefit."

General Luis Alonso Discua, the Honduran representative, stated his satisfaction with the meeting and rejected the versions reported by some of his country's media regarding possible military provocations at the area in dispute. Discua said "it is false that Honduran Navy ships are cruising in the Gulf of Fonseca or that Honduran Air Force airplanes are overflying the area."

The military chief said it is regrettable that some of his country's media seek a confrontation, "instead of strengthening the friendly ties between the two brotherly countries."

The work meeting was held at the Defense Ministry between 1000 and 1300.

The Guatemalan delegation was headed by Defense Minister Division General Jose Domingo Garcia.

SELA Member Countries Study NAFTA Impact

PA1309002492 Mexico City NOTIMEX in Spanish 1743 GMT 12 Sep 92

[Text] Caracas, 12 Sep (NOTIMEX)—It was reported in Caracas that the 27 Latin American and Caribbean countries that form SELA [Latin American Economic System] have agreed to encourage economic consultations with the United States to learn that country's integrationist goals in the framework of the Enterprise for the Americas Initiative.

SELA Permanent Secretariat was given the mandate to study the dispositions in the North American Free Trade Agreement [NAFTA] between Mexico, Canada, and the United States and NAFTA's eventual impact on the region.

SELA's top decision-making body, the 18th Latin American Council, recommended that member countries diversify economic contacts in new areas at the intraregional level, as well as with Japan and southeast Asia.

SELA's Permanent Secretary Salvador Arriola, a Mexican, explained at a news conference that within this framework it was agreed to increase contacts between universities, financial institutions, businessmen, and governments to "give integration a practical sense."

In order to dampen the negative protectionist effects, SELA will study the EC's development, which will become a single market in January 1993, to present possible actions to its members.

At the regional level, delegates to the council's two phases—technical and ministerial—that took place at SELA's main headquarters in Caracas from 7 to 11 September, highlighted the need to increase the information available on the adjustment policies that each of the countries apply to ease the integration process.

After admitting that in 17 years SELA has done little to broaden social development topics, Arriola stressed that a top forum for political agreement and consultation will encourage the exchange of information and experiences in programs to fight poverty, such as Mexico proposed to the council.

Simultaneously, SELA will coordinate a Latin American and Caribbean stance for the 1995 Social Development World Summit [Cumbre Mundial Sobre Desarollo Social de 1995].

Bids will be issued to mobilize international funds for development financing and the regional internal debt of nearly $430 billion.

The result of the consultations and the potential initiatives will be proposed before the World Bank's development committee and the IMF, which will meet during the first months in 1993.

Arriola stated that the council approved the 1993-94 work program centering on foreign trade, development financing, economic policies, social services, training, and technological and industrialization development.

Regional Countries Sign Agreement on Trademarks

PA1209042292 San Salvador Radio Cadena YSKZ in Spanish 1200 GMT 9 Sep 92

[Text] Official sources have disclosed that the Central American countries have signed, in El Salvador, a joint declaration to adhere to the Paris Agreement regulating intellectual property on commercial trademarks. This agreement has been signed by 105 nations.

Justice Minister Rene Hernandez Valiente told the media that by joining this agreement, the countries of the isthmus seek to expand their commercial relations with other regions of the world under legal conditions that protect industrial and intellectual property.

The deputy economy ministers of Central America, as well as the Salvadoran justice minister and Costa Rican Justice Minister Elizabeth Odio concluded a two-day meeting here. This meeting, which was not announced officially, analyzed the right to trademarks.

Cuba

National Assembly President on Election Law

PA1309132692 Havana Radio Havana Cuba in Spanish 0000 GMT 13 Sep 92

[Interview with Juan Escalona, president of the National Assembly of the People's Government, by Barbara Betancourt; date and place not given—recorded]

[Text] [Betancourt] Mr. President, as was explained during the most recent period of regular sessions when the constitutional reform law was discussed, a new elections law for Cuba may be debated before the end of the year. What is happening in this process?

[Escalona] I can tell you the process has started. A bill was drafted, that is, its first version. This bill has been presented to a National Assembly commission, which made certain modifications. After those modifications were incorporated, the text of the bill was distributed to the provinces, where a number of provincial deputies studied it. We just concluded a period of visits to discuss with deputies from all provinces the text of this bill and their opinions about it.

We will immediately hold a meeting to discuss the opinions we received from the provinces and will come up with what we could call a second version of the original bill, which we will distribute immediately to the deputies.

[Betancourt] That would be the draft to be debated at the National Assembly?

[Escalona] As a bill...[pauses] yes to be debated and I hope nothing will stand in its way, despite the situation we are experiencing, the tension and so on, and that we will be able to call special sessions, as announced in October, to allow the National Assembly to debate this bill.

[Betancourt] President, what are the main characteristics—I am aware this is only a draft, not the final product—but what are the main characteristics of this bill?

[Escalona] This bill aims to reflect the agreements reached at the party's congress; to establish how the voting will take place; how the citizens will cast their direct votes for all elected posts in the country; and to allow municipal assemblies to, in the end, nominate the candidates from the slates that candidacy commissions will submit to each municipality. Starting with this....

[Betancourt, interrupting] The people will in the end vote directly but the municipal assemblies will nominate the candidates?

[Escalona] The assemblies must determine—should this bill be approved—which candidates will be presented for the people to choose from.

[Betancourt] I have a doubt, Escalona. Those candidacies the municipalities will come up with, how...[pauses] I mean, I imagine no one will be able to determine who the candidacies will be, but certain requirements will have to be met. How will a candidacy be determined by the assembly and how will other candidacies be determined later?

[Escalona] Candidacy commissions will be established at the national, provincial, and municipal levels. Municipal commissions will be responsible for selecting delegates from the municipal assemblies, who will in turn be candidates for a post within the province or the National Assembly.

[Betancourt] There is also a percentage of outside rank and file delegates. Can they be candidates?

[Escalona] Of course, there will be a percentage. The bill that we will debate establishes that rank and file delegates will make up about 30 percent of those elected to the National Assembly. The other two-thirds will be made up of citizens who are not municipality delegates, who will be selected by candidacy commissions. The candidacy commissions....

[Betancourt, interrupting] While taking into account the criteria of labor unions and organizations?

[Escalona] Everyone will consulted. Given that the party will be absent from candidacy commissions, we will propose that representatives of the Central Organization of Cuban Trade Unions preside over the candidacy commissions. Various representatives of mass organizations will also be present. As it receives nominations, the candidacy commission may consult all institutions, organizations, and the place of employment of the citizen nominated as it deems advisable. In other words, we want to have a well-defined process to ensure our assembly will have the representation it should.

[Betancourt] Now that you have explained that, I have a doubt, because since talk began in Cuba about this new electoral law, certain small groups that exist [chuckles] in our country regrettably...[pauses] well, they have electoral ambitions. What are their chances? Do they have a legal chance? Do they have a chance of being nominated, of being among the candidates?

[Escalona] There is always a legal chance. The law specifies who may not be candidates: those who are currently in prison, those who have psychological problems, and so on. There is no impediment for the others. This should be examined, however. Knowing the idiosyncrasies of our country, I think some of these figures could hardly be nominated....

[Betancourt, interrupting] Perhaps their most capricious means would be to be nominated in their neighborhoods?

[Escalona] Yes, but a candidacy commission would have to evaluate their nominations and the municipal

assembly) is responsible to the country and its municipality and territory to nominate the most suitable candidates for a post.

[Betancourt] But if they were elected in their own areas they would have to be included, correct?

[Escalona] They would be included and the municipal assembly would in the end decide whether they should be the candidates. Knowing as we know the characteristics of these figures, that could well happen [chuckles] no one....

[Betancourt, interrupting] They at least have a chance.

[Escalona] There is a chance.

[Betancourt] Thank you very much for your explanations.

Coalition Leaders Reported To Be DGI Members

PA1209185092 Hamburg DPA in Spanish 2229 GMT 11 Sep 92

[Text] Havana, 11 Sep (DPA)—The leader of the Cuban Democratic Coalition (CDC) and several of the CDC's most outstanding members were Cuban State Security officers, unofficial sources reported in Havana on 11 September.

Hector Castaneda Goenaga, president of the dissident group and one of the persons who had supported the so-called Torricelli Law in the United States aimed at tightening the economic embargo against Cuba, was recently decorated by the Interior Ministry, according to reports.

According to the informers, who asked to remain anonymous, Castaneda Goenaga was decorated "for the job he performed for years inside the dissident groups."

It was also reported that 27 CDC leaders turned out to be members of the Cuban General Directorate of Intelligence (DGI).

Miami radio stations heard in Havana said the CDC, an illegal coalition of eight opposition groups founded two years ago, has the support of the National Cuban-American Foundation (FNCA), led by Jorge Mas Canosa, the most influential Cuban exile organization, known for its tough positions against the government of Fidel Castro.

Local authorities have yet to provide their version of the report so the reason that led Cuban counterintelligence to unmask this important group of agents is unknown.

The majority of unofficial sources in the Cuban capital agree, however, that this is one of the most severe blows to the illegal opposition on the island, especially with regard to its future credibility.

These sources believe this disclosure and the possible publicity Cuban authorities could give the case in the next few days could obstruct the job being done by the minute dissident movement, especially its recruitment work.

A European diplomatic source linked to the CDC, who also asked to remain anonymous, said that "after the Castaneda case, no one in Cuba or abroad, whether it be the United States or Spain, is free from suspicion."

Cienfuegos CTC, Unions Monitor Workers Guard

FL1309191492 Havana Radio Reloj Network in Spanish 1605 GMT 12 Sep 92

[Text] The Cienfuegos Province leadership of the CTC [Cuban Workers Federation] and its unions, along with the working masses of Cienfuegos, are making serious efforts to achieve the goals of the workers guard forces and make them effective. In this respect, the province's labor movement has seen an increase in some [words indistinct] in covering all the guard shifts. Nevertheless, our colleague Julian Perez Valdez reports that there are centers where there are problems monitoring the guards.

Also, it has been learned that in Cienfuegos Province, 265 youth bicycle patrols are carrying out operations at the district level to thwart or prevent criminal activities, as part of the support the Union of Young Communists is giving to the Unified Vigilance and Protection System.

Correspondent Maria Elena Fernandez Pino also reports that more than 3,000 students are members of the Territorial Troops Militia, and they attend classes at the barracks in defense preparation.

UNDP Official Visits To Observe Program Results

FL1409013092 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 14 Sep 92

[Text] Mr. Fernando Zumbado Jimenez, UN Development Program [UNDP] regional director for Latin America and the Caribbean, is now in Cuba. Correspondent Pedro Martinez Perez has this report.

[Begin recording] [Martinez] I would like to know the purpose of your visit, for the National Television Newscast.

[Zumbado] This is my first official visit as the regional director for Latin America and the Caribbean. We have been closely following what has been done here in Cuba as part of the UN program supporting the Cuban Government. We have discussed it at many meetings in New York and Geneva when we presented our programs here, but I was very curious and interested to visit this country and see in person the results of this cooperation, which has already been going on for several years and has focused primarily on the area of science and technology. We are very interested in seeing how this has been put into practice and serves to support the dynamization of this country's economy.

[Martinez] Now, briefly, the opinion of Joachim von Braunmuhl, the UNDP resident representative. What will the UNDP show Mr. Zumbado?

[Von Braunmuhl] Well, we are very happy that he has arrived. We began this program during a more normal time for the country. Now, unfortunately, the country is in a special period in peacetime, and we would like to see how he evaluates the (?level) of the efforts the government is making to keep this program alive, so it will have the planned impact even under the difficult current circumstances.

[Martinez] How does Cuba evaluate the visit by Mr. Zumbado, the support the UNDP is providing, and does Cuba hope that the UNDP's cooperation in Cuba will not only continue but develop and expand?

[Raul Taladrid, vice president of the State Committee for Economic Cooperation, identified by caption] Well, for the Cuban Government and people, UNDP cooperation has always been very important. Right now, I would say that almost all the projects, or all the projects, we have undertaken coincide with the priorities of the special period in which we find ourselves. We were looking forward to Fernando Zumbado's visit because it is his first official visit as the representative... [corrects himself] the regional director for Latin America and the Caribbean, and we hope that new ideas, and perhaps possibly new funds, will come out of his visit. We know—we are not committing him to this here beforehand—we know the limitations that exist in the UNDP as well as the entire UN system, but we hope to find new, imaginative ways of incorporating new resources, if possible, into the program in Cuba to enrich and expand it. [end recording]

Russian Military Brigade Receives Award

FL1309224192 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 13 Sep 92

[Text] The 30th anniversary of the installation in Cuba of the independent motorized infantry brigade, currently under the jurisdiction of the Russian Federation, was celebrated with a meeting between its members and combatants of the Revolutionary Armed Forces [FAR]. Division General Ulises Rosales del Toro, the first vice minister of the FAR and chief of the general staff, (?awarded to) the brigade the Antonio Maceo Order, granted by agreement of the Council of State in recognition of the active role the unit has played since its creation in 1962 in the military cooperation between the two countries.

During the ceremony, a group of soldiers from the brigade were decorated with the Internationalist Combatant Medal, second grade, and the Combative Fraternity Medal. Brigadier General Nestor Lopez Cuba and Colonel (Vladislav Dimikov), the chief of the independent motorized infantry brigade, spoke at the ceremony.

Mexican Ambassador Assesses Bilateral Relations

FL1209165192 Havana Radio Rebelde Network in Spanish 1155 GMT 12 Sep 92

[Interview with Mexican Ambassador Mario Moya Palencia by Nora Rodriguez Calzadilla on the occasion of the 182d anniversary of the "Grito de Dolores"; date, place not given—recorded]

[Excerpt] [passage omitted] [Rodriguez] Mr. Ambassador, if you please, what is your assessment of the bilateral relations between Mexico and Cuba?

[Moya] They are excellent. May 20, 1992 marked 90 years of uninterrupted relations between Mexico and Cuba. On the very day this country formally came into existence as a republic, Mexican President Porfirio Diaz and Cuban President Tomas Estrada Palma exchanged telegrams initiating these relations; and the relations have never, to this date, been interrupted, regardless of any outside attempts to interfere or any international pressure.

Our relations have always been marked by profound friendship. We have always put our similarities above our differences; and have always both had a desire to persevere along our chosen paths. We are both peoples who have effected illuminating revolutions in the 20th century, nations that have traditionally held an identical position of defiance with regard to dictatorships and impositions, nations stubbornly free and ready to continue fighting for that freedom and autonomy. For that reason, too, the content of our bilateral relations is very rich—not just the cultural part and the population-to-population relations, which are very intense, but also academic, scientific, and technical exchanges; tourism; and, recently, greater economic exchange due to, on the one hand, Cuba's new need to acquire supplies in countries other than those that have supplied it in the past and [on the other hand] to Mexico's new ability to produce and export.

These two sets of circumstances have come together: Mexico is looking outward; and Cuba has had to reconstruct its foreign trade framework. Apart from this, Cuba has invited Latin American capital to invest in Cuba; to invest jointly, in Cuba, with the Cuban public enterprises—and many Mexican businessmen have agreed to do so.

This confluence, all these coinciding and complementary objectives, have given rise to a new aspect in our relations—that of increased economic exchange, as well as productive co-investments. [end recording] [passage omitted]

Pedro Ross Welcomes PRC Trade Union Official

FL1409014292 Havana Radio Reloj Network in Spanish 0100 GMT 14 Sep 92

[Text] Ni Zhifu, the chairman of the All-China Federation of Trade Unions, paid homage today to his compatriots who had fought for Cuban independence by laying

a floral wreath at the monument to their memory. The Chinese union official arrived in Cuba last night at the invitation of the Cuban Workers Federation [CTC]. He was met by Pedro Ross, a Politburo member and the CTC secretary general, and (Li Kimchan), the PRC charge d'affaires.

Upon his arrival in Cuba, Ni Zhifu, the chairman of the All-China Federation of Trade Unions, sent a warm message to the Cuban workers and the entire people, saying that his visit would serve to strengthen relations between the two union confederations. During his stay in Cuba, the PRC official will meet with CTC national-level officials and members of Brigade No. 30 of the Blas Roca Calderio Contingent, and visit places of social and economic interest.

Commentary Views Economic Relations With France

PA1209154692 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Sep 92

[Amalia Sanmartin commentary]

[Text] Subject to a ruthless economic blockade for more than three decades, Cuba is a nation whose inhabitants have shown their endurance.

Although Cubans have faced resolutely the medieval policy of siege, they are pleased to see that countries like France have not participated in that inhuman act.

Philippe Peltier, France's ambassador to Cuba, recently said that contrary to sharing the economic blockade imposed on Cuba by the United States, the French Government greatly admires Havana's determination to maintain its independence. He noted the possibility and need to strengthen bilateral economic relations.

Cuban trade with France currently totals $80 million, although in economic terms the amount is much higher, taking into account the participation in Cuba of French companies in the areas of oil, communications, agriculture, and others.

For a long time, Cuba's debt to Paris was an obstacle to bilateral relations. Now, however, we are trying to put aside the debt problem and not let it be a condition for everything else, Ambassador Peltier told PRENSA LATINA.

Concerning the importance of French relations with Cuba, we recall that during a recent visit by French Budget Minister Michel Charasse, he announced President Francois Miterrand's decision to offer Cuba more than $6 million for small projects of common interest.

As if more than 30 years of economic blockade were not enough, the United States wants to punish any nation trying to do business with Cuba by implementing a draft bill promoted by U.S. Democratic Party Representative Robert Torricelli. Ambassador Peltier said that since 1948 there have been international trade regulations included in the GATT that cannot be violated. Therefore, he said, the Torricelli amendment will be disregarded by other European nations, too.

The strengthening of economic relations with France can mean for Cuba the opening of an ideal market for its exports and in general for all kinds of trade. It also offers the opportunity to show how much U.S. businessmen have lost during all these years.

Inter-Caribbean Affairs

Caricom Warned 'Not To Blindly Embrace' NAFTA

FL1209004792 Bridgetown CANA in English 1549 GMT 11 Sep 92

[By Reudon Eversley, Senior Editor]

[Text] Bridgetown, Barbados, Sept 11, CANA—Caribbean Community (Caricom) countries got another strong warning Thursday [10 September] night not to blindly embrace American prescriptions of free trade because such proposals did not promote the region's best interests and had little to offer.

The warning came from former Barbados Central Bank governor Dr. Courtney Blackman and Montserrat's Chief Minister Reuben Meade as they examined the implications of the North American Free Trade Agreement (NAFTA) for the 13-nation community. Both were panelists on the monthly Canaradio-produced Caribbean crossfire discussion programme, broadcast by radio stations across the region.

Dr. Blackman, now an international business consultant, said free trade of the NAFTA type was "a very tough proposition for the Caribbean" and urged the region to "look upon it very cautiously and very apprehensively". But he noted—as did Meade—that NAFTA raised issues which Caricom could not avoid addressing because of the global movement towards free trade and other forms of economic liberalization. Meade contended that Caricom, with a market of five million people, did not present a threat to the United States or its NAFTA partners with existing levels of protection. The Montserrat chief minister suggested deeper Caricom integration and unity on the CET issue was the region's only effective buffer against the challenges presented by NAFTA and the global push for free trade.

".... We as a Caribbean people must get together, formalize the arrangement for the Common External Tariff and ensure that we are in a position to look at where we want to go, make our own determination, and then seek to have one-way free trade because our five million people really would not impact anyway on ... the North American ... market," he said.

The CET, which seeks to shield Caricom industries from open competition with third country imports, is under review after some member states agreed with the U.S. position that the 45 percent ceiling is too high. Caricom

manufacturers, however, oppose any reduction, contending it would mean plant closures and job losses. Dr. Blackman complained that while the U.S. was preaching free trade for Caricom, it maintained some of the "most formidable obstacles to trade that they are." He mentioned subsidies to U.S.-grown peanuts for which American consumers pay almost twice the world market price.

A central tenet of the free-trade argument is that the consumer benefits the most in terms of price because inefficient, high-cost producers fall victim to market forces. Blackman said the American-espoused idea of a level playing field in free trade between the U.S. and Caricom was untenable because existing economic disparities would tilt the scales in favour of the U.S.

"Total free trade favours the big countries and it is very much disadvantageous to the small (countries)," he contended. "That is why in the European Common Market there are so many transfer payments to the weaker countries ... In order to restore some sense of competitive equality. I. the United States wants (a) level playing field (with the Caribbean)," the former Barbados Central Bank governor added, "probably they should increase the amount of transfer payments (economic aid) that they make to the Caribbean."

Blackman rejected Mexico and Chile as models of free-market development which Caricom countries should emulate. What was not highlighted about both countries, he said, was the "tremendous" disruption caused by the same policies of economic liberalization.

"Do not believe that if you open your markets to a big country like the United States that you are not going to suffer," Blackman told Caricom countries. "Don't believe that at all. The whole process of liberalization has to be a step-by-step one if it is not to disrupt our economies totally," he added, warning Caricom countries not to succumb to suggestions that if they don't free up their markets, they would lose their competitiveness. "If we go in too quickly, (we) won't be competitive either because (we) won't have industries..," he said. Meade said Caricom countries had to do away with a tendency to approach international crises in an ad hoc manner. The challenge of NAFTA, he said, highlighted the need for Caricom to take a "consolidated approach to diplomatic negotiations."

Haiti

Benoit Reports to Council of Ministers on Talks

FL1109230192 Port-au-Prince Radio Metropole in French 1045 GMT 11 Sep 92

[Text] Following the official announcement by the foreign affairs minister that 18 OAS observers would be arriving in Haiti, the issue was raised in the Council of Ministers meeting. In a communication to the council, Francois Benoit recalled that following the last visit of the OAS mission to Haiti, the secretary general of this organization had invited the prime minister to appoint a personal representative to take part in negotiations with a representative of Father Aristide. This meeting was held in Washington from 1 to 4 September and gave rise to some very frank exchanges. What is essential to remember is that the OAS has finally realized that only a political solution can be sought because the constitutional order has not yeilded the expected results.

It is further agreed that the OAS mission in Haiti will not be the previously considered OAS/DEMOC mission; nor a military presence, which is not even conceivable because as Secretary General Baena Soares put it, the OAS well knows the history of the Haitian nation. Nor has the proposal to send more than 200 observers to Haiti been accepted. Only 18 people will arrive, and not one military representative will be admitted. No increase in this number will occur without the approval of the parties represented at the Washington talks. Security guarantees for the mission members are the exclusive domain of the Haitian Government.

The next step after the arrival of this mission in Haiti will be finding a new facilitator who will most likely be a person of international stature. Also, by the end of the month, there will be an ad hoc meeting of the OAS foreign affairs ministers during which the secretary general will present a report on the current state of negotiations and the embargo issue.

One result of these negotiations and of the arrival of the OAS mission, concluded the report of Minister Benoit, and as the prime minister stated during the ministers council meeting, is that any documents to be included in the negotiations will be submitted to the parliament for ratification. Marc Bazin, addressing Francois Benoit, urged him to continue his efforts to find a solution to the crisis that will end the suffering of the Haitian people. Therein lies the essential point.

My order to you for the continuation of the negotiations remains the same, he said. Continue; you are on the right track. Seek efficiency most of all, not publicity. Speak little. Speak right. Remain discreet, and no matter what happens, be modest before all and under all circumstances; think of the country first. These were Marc Bazin's statements to Francois Benoit.

Council of Ministers Publishes Meeting Report

FL1109202192 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 11 Sep 92

[Excerpts] The secretariat of the Council of Ministers has issued a communique on its 9 September meeting. The communique states that the minister of the interior reported on the work of his special intersectorial committee on the reinstatement of local elected representatives to their posts. The minister informed the council that the Coteaux mayor had been reinstated in his post, due to a joint conciliatory effort by the committee and

local authorities, especially the departmental delegate and the commander of the Southern Military Department.

The committee is seeking the cooperation of local authorities to solve the Cerca la Source City Hall problem before any external intervention [words indistinct].

Another point discussed by the Council of Ministers was the Washington negotiations. [passage omitted]

The prime minister addressed the issue of travel. He gave a report on the trip he made to the Dominican Republic. His conversation with President Balaguer was on the Haitian crisis, the possibility of economic cooperation between the two countries, and the celebration of the 500th anniversary of the discovery of America.

The section of the communique on the signing of agreements announces that the Minister of Commerce and Industry submitted to the council the final version of the agreement to be signed between the Haitian Government and the Rice Corporation of Haiti. It says that the prime minister also informed the council that the agreement for the financing of aid to the parents of students will be signed on Friday 11 September in the presence of the press.

This was a communique issuing from the Council of Ministers meeting on 9 September.

Senator Sansariq Denounces Government Corruption

FL1109205792 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 11 Sep 92

[Report on news conference by Senator Bernard Sansaricq in Port-au-Prince on 10 September—recorded]

[Excerpts] On 11 September, Senator Bernard Sansaricq stated in a news conference that since Marc Bazin came to power in Haiti, 40,000 tons of cement have illegally entered the country with the complicity of the authorities. Sen. Sansaricq denounced a family that is making a fortune through the illegal sale of cement in the country. While the family buys cement at $2 [quantity not specified] on the international market, they sell it to the people for a great deal of money. Sen. Sansaricq, who said these corrupt practices must reach an end in the country, is asking for the support of other sectors so he can continue to expose crooked dealings within the government. According to the senator, a bag of cement costs as much as $15. Sansaricq added that it is time for the people to stop being kept in such poverty. [passage omitted]

We will recall that the Grand'Anse senator had already denounced what he calls crooked dealings and corruption in the Marc Bazin government, before the assembly of senators; and subsequently accused the minister of commerce and industry of having favored the entry of many products into the country by various importers who do pay no tarriffs. In response, the assembly of senators established a committee to investigate the case and to make recommendations to the assembly.

PANPRA Officials Attend Socialist Congress

FL1209141592 Port-au-Prince LE NOUVELLISTE in French No 34.377, 10 Sep 92 p 8

["Excerpt" from "The Stirs of the News" column: "Departure for Berlin"]

[Text] Arnold Antonin, director of the Petion-Bolivar Center and executive in the Nationalistic and Progressive Revolutionary Party of Haiti [PANPRA], will leave the country for Berlin where he will attend a seminar from 11 to 13 September on the economic boosting of Central and Eastern Europe.

He will then join Serge Gilles, Central Department senator and leader of PANPRA; Deputy Duly Brutus; and Deputy Yves Pericles Beauge, to participate in the 19th Congress of the International Socialist, to take place in Berlin from 15 to 17 September 1992.

* Election Campaign Financing Criticized

92CA0198A Mexico City PROCESO in Spanish No. 821, 27 Jul 92 pp 22-23, 25-27

[Report by Elias Chavez]

[Text] George Bush and Bill Clinton would die of envy: While the Electoral Commission of the United States authorized each of them to spend $55 million on their presidential campaigns, in Mexico the Institutional Revolutionary Party (PRI) will spend 15 times that amount, according to calculations by the Mexican Public Opinion Institute (IMOP).

Even multimillionaire Ross Perot looks like a poor beggar: Before throwing in the towel, he spent only $10 million on his campaign, roughly the same as the approximately 30 billion pesos that the PRI gubernatorial candidate, Maximiliano Silerio, spent in a single state, Durango—and he does not consider himself a rich man.

Perot's spending looks even more meager when compared to the PRI totals in Michoacan (100 billion pesos or $32 million) and Chihuahua (nearly 60 billion pesos or $20 million).

If this rate of spending keeps up, the IMOP estimates that the PRI's outlays will total 2.48 trillion pesos, or some $800 million, in the next presidential campaign, while in the United States, Bush and Clinton will spend only $110 million between the two of them.

The PRI's spending on its recent campaigns has caused an international scandal. After THE NEW YORK TIMES reported that in Michoacan, "Salinas's party has spent at least $32 million to elect Villasenor," the president had to face his critics. On Tuesday the 21st, during his tour of Europe, Carlos Salinas pledged to "expand political reform" to limit parties' spending. In statements to the FINANCIAL TIMES of London and the Spanish weekly TIEMPO, he acknowledged that it is necessary "to impose ceilings on high spending and be more open about the financing of the proselytizing campaigns." He also stated that the PRI should be willing to face its electoral competition directly and clearly.

The PRI obtains financing for its campaigns from a great variety of sources. The smallest of these is direct, legal, public financing. This year, the federal budget for all of the political parties amounts to just over 86 billion pesos, 51 percent of which (43.86 billion) is earmarked for the PRI.

But the approximately 100 billion pesos that it spent in Michoacan alone equals all of the federal funding available to it for all of its campaigns this year, plus an additional 14 billion pesos.

According to the IMOP, the nearly 160 billion pesos spent by the PRI in Michoacan and Chihuahua came from the following sources: central sector (federal government secretariats), 40 percent; parastate enterprises, 20 percent; state governments, 30 percent; and private sector, 10 percent.

As for how the 160 billion pesos was used, the biggest outlay was for television (25 percent), followed by radio (14 percent), brochures (20 percent), printed matter (14 percent), direct propaganda (12 percent), equipment (7 percent), organizational spending (6 percent), and administrative costs (2 percent).

Each of the 418,080 votes won by the PRI in Michoacan cost 239,188 pesos, while the Party of the Democratic Revolution (PRD) spent 6,916 pesos for each of the 289,194 votes that went to Cristobal Arias (the IMOP estimates that it spent 2 billion pesos on its campaign).

In Chihuahua, every vote for Macias cost 156,642 pesos, while Francisco Barrio, who spent 3.05 billion pesos on his campaign, generated a per-vote cost of 7,903 pesos.

In addition to its legal entitlements, the PRI obtains "nontransparent" federal and state funding. An example of how this money is raised is provided by Guadalupe Razo Vazquez, the gubernatorial candidate of the Authentic Party of the Mexican Revolution (PARM) in Durango:

The state government's Secretariat of Finance registered some 65,000 vehicles. Owners of pre-1981 models were charged 500,000 pesos, while those owning 1981-86 models had to pay 1 million pesos. In addition, every vehicle owner had to pay 5,000 pesos as a special contribution to the System for Complete Family Development (DIF). But no one was given a receipt. The people who paid the fees did not complain because "there was something very embarrassing": many of the vehicles, purchased through the National Peasant Confederation (CNC), were stolen. And now, if the owners of the vehicles want to sell them, they cannot, because the receipt they were not given was going to become a kind of "super card" [tarjeton], replacing the invoice. The state government garnered nearly 50 billion pesos from this transaction, and "everyone knows that that money is being used for the campaigns of the PRI and the Labor Party (PT)."

Shady Deals

In addition to the PRI, "the government sponsors and finances the Labor Party, among others," said Juan Carlos Gutierrez Fragoso and Victor Hugo Castaneda Soto, National Action Party (PAN) candidates who are running for deputy seats in the 1st and 15th districts of Durango, respectively. They complained of another "shady deal" in campaign financing.

In view of the "profligate spending" of the PT candidates, who "hand out bills left and right" at their campaign rallies, the two PAN members decided to find out where that money came from. They discovered that

a "mysterious gentleman with a briefcase," nicknamed "El Vale," would furnish the money to the PT leaders.

They followed El Vale's trail. First, say the PAN candidates, he would pick up the money at a bank in the City of Durango. El Vale suspected he was being followed, and changed his *modus operandi*: Now he frequently goes to another bank in the City of Zacatecas, whence he returns with his briefcase "full of money."

But Alejandro Gonzalez Yanez, a strong favorite to win the mayoral election in Durango for the PT, defends himself. He contends that he has only spent 300 million pesos on his campaign and that the financing comes from the committees of his party in Veracruz, Puebla, Nuevo Leon, Tlaxcala, Tamaulipas, Chiapas, Mexico State, and Nayarit, plus the financing he is entitled to by law.

Maximiliano Silerio Esparza, PRI candidate for governor, said that his campaign has spent "just over 1 billion," but his PAN opponent, Rodolfo Elizondo, said:

"I challenge the PRI candidate to a debate in which we will clarify the origins and amounts of the funding each of us uses in our respective campaigns. I can prove the legitimate source of the approximately 1.5 billion pesos we have spent, but I doubt that Mr. Silerio can account for the nearly 30 billion he has spent."

In addition to Durango, elections will be held next 2 August in Aguascalientes, Oaxaca, Zacatecas, and Veracruz. In the latter state, the opposition is complaining that the PRI candidate, Patricio Chirinos, "is lavishing money scandalously" and that his campaign is turning out to be about as expensive as the one in Michoacan.

According to the PAN, "Chirinos has spent, under the table, no less than 80 billion pesos." As an example of the "PRI largesse," Pedro Colmenares Baruchi, PAN deputy candidate, cites this: Last Monday 20 July, the official party candidate gave a breakfast for 1,000 retired workers. Each breakfast cost 35,000 pesos, for a total bill of 35 million pesos.

The difference in spending between Chirinos and his main opponents in the gubernatorial election is abysmal: As of last week, PRD candidate Heberto Castillo had visited 150 of the 207 municipal jurisdictions in the state, 50 *congregaciones* [Indian villages], and several dozen *rancherias*. His spending totaled 220 million pesos.

Leopoldo Reyes Vazquez, the PAN candidate, has visited more than 100 municipal jurisdictions and 50 *congregaciones*. He has spent no more than 15 million pesos. A similar amount has been spent by Heli Herrera Hernandez, the Popular Socialist Party (PPS) candidate, on his campaign.

What these three opposition gubernatorial candidates have spent all together is exceeded easily not only by Chirinos, but also by the 23 PRI candidates for deputy seats: more than 500 million pesos each, for a total of 11.5 billion pesos.

In Oaxaca, the PRD and the PAN both say that the campaign of the PRI candidate for governor, Diodoro Carrasco, has been characterized by "an abundance of money, most of it from the state government."

But the financing coordinator of the ruling party, Eduardo Cordoba Brena, claims that the main source of funding has been the business sector: 5 billion pesos as of last week.

Raul Castellanos, the PRD gubernatorial candidate, has also challenged his PRI opponent (as the PAN's Elizondo has done to Silerio in Durango) to a debate to elucidate the amounts and origins of the funds they have spent in their respective campaigns.

"As for me," Castellanos said, "I can explain that the State Electoral Institute (IEE) has given us 124 million pesos, which was to be distributed among the 21 candidates for state congressional seats. We also received 25 million from the PRD parliamentary delegation and 90 million from our national executive committee, plus 100,000 posters.

"Our meager resources contrast with those inundating the official party candidate, who squanders approximately 1 billion pesos a day on printing, give-aways, posters, loudspeaker vans, meals, and transportation."

Alfredo Castillo, the PAN candidate, said that the PRI "has an abundance of resources: Vehicles, per diems, and salaries come from the state government's Secretariat of Finance. We have evidence, for example, that the PRI offices hired a large group of law students, each of whom is being paid 1.6 million pesos per month, plus a per diem."

According to Castillo, the IEE allocated 70 million pesos to the PAN, which must also pay for congressional campaigns with that money. In addition, the PAN national directorate contributed 28 million pesos.

Yesterday, Sunday 2 August, Diodoro Carrasco was supposed to wind up his campaign at a rally on the Alameda Central in the city of Oaxaca. His press chief sent out invitations to the mass media in Mexico City, offering to provide "air transportation and hotel accommodations" to reporters.

The opposition parties' complaints about "PRI extravagance" are repeated all over the country. In Sinaloa, Emilio Goicoechea Luna, PAN candidate for governor, said that he will spend less than 3 billion pesos on his campaign. He said accusingly that "the PRI, on the other hand, has 52 billion pesos (some $17 million) budgeted, but not even that will save Renato Vega Alvarado from defeat."

The finance committee of the PRI candidate denies the amount cited by Goicoechea, however. It claims to have

raised 2 billion pesos, "contributed by PRI supporters," and is confident that it will be able to raise another 6 billion, for total spending of 8 billion pesos on Vega Alvarado's campaign.

With regard to the disparity between the PRI and the opposition in the use of advertising resources, Rosario Ignacio Oropeza Cota, editor of EL DEBATE in Culiacan, said:

"The press office of the PRI candidate has authorized the 18 regional newspapers to include paid advertisements in our publications, for which we bill at twice the normal rate. In the month and a half that Renato Alvarado has been campaigning, advertisements have been submitted to us at least three times a week. That is four or five times the amount of advertising the opposition parties are buying."

"Boxing Party"

In Tamaulipas, PRI gubernatorial candidate Manuel Cavazos Lerma relies on his good friends to finance his campaign. One of them, Jose Sulaiman, president of the World Boxing Council, decided to organize a "boxing party" to raise 5 billion pesos.

The "party" will take place in Ciudad Madero on 22 August. A total of 12,000 spectators are expected, and the price of tickets will range from 10,000 pesos to 1 million pesos for ringside seats. They will watch a first-class fight for the "straw-weight" [paja] title: Champion Ricardo Lopez versus Thai boxer Singprasert Kittikase, ranked seventh in the world.

They will also be able to get up close to 10 champions, including J.C. Chavez, Pipino Cuevas, Ruben Olivares, Raul ("El Raton") Macias, Ultiminio Ramos, Mantequilla Napoles, and "La Chiquita" Gonzalez. Rigo Tovar, who also belongs to the PRI, will sing the national anthem. "Politics has never been at odds with sports. Anyone who believes otherwise is up in the clouds," said Sulaiman, who is happy to serve the cause of his party and his friend and countryman, Cavazos Lerma.

Manuel Bartlett, former secretary of the interior, former candidate for president of the republic, and former secretary of education, is shadow boxing in Puebla, still without a rival.

He announced his candidacy on 2 June, a month and a half before the scheduled time, "to begin recruiting people and to get to know the state." Bartlett has already spent about 1 billion pesos merely on shadow boxing, complain the PAN and the PRD.

Municipal officials, said the two opposition parties, have been in charge of this campaign spending. They give examples: On 10 June, in Zacapoaxtla, a reception was held for the PRI candidate using municipal government funds. Some 5,000 people were brought from seven neighboring municipal jurisdictions in official vehicles, including those of the city's Office of Public Safety.

Filemon Jimenez Guevara, municipal president of Nauzontla, refused to use public treasury funds for Bartlett's fund-raising events, and now he says that "out of revenge, the president of the PRI municipal committee, Arcadio Arriaga Vazquez, is accusing me of committing fraud with Pronasol [National Solidarity Program] funds."

Jimenez Guevara was adamant: "I refused to use funds from the treasury for Bartlett's campaign, and I will continue to refuse. It is time our leaders stopped putting their personal interests ahead of their duties as public servants. We have gone to a lot of trouble to get things done here, and we are not going to throw our money away."

Used to getting government support at all levels (municipal, state, and federal), the PRI also suffers when it is in the opposition, as is the case in Baja California. Ernesto Ruffo of the PAN is the governor of that state.

A week before the first local elections organized by a PAN government are to be held, when candidates will be elected to the state congress and the four municipal governments (including Tijuana, the fourth most important city in the country, in economic terms), the PRI claims to have on hand just 3.75 billion pesos, 12 percent of the 30 billion spent on Margarita Ortega's ill-fated campaign in 1989.

In view of this situation, PAN Senator Hector Teran is confident that his party will win again. Thus, Governor Ruffo will be able to work with a congress in which the blue and white party has a majority.

Teran noted that the PRI faces serious difficulties because it no longer has access to the state funds to which it had become accustomed, although he suspects that "there are transfers from the federal government, as well as state and even city governments."

In response to this accusation, Senator Miguel Aleman Velasco, finance secretary of the PRI's National Executive Committee (CEN), announced that his party may attain financial autonomy from the government within a year.

To achieve that goal, he said, it will impose severe financial discipline; campaigns will be austere, and "more practical contracts" will be signed with the mass media. Moreover, officials are looking into the possibility of forming real estate companies, travel agencies, car rental companies, and other businesses that will earn hefty profits for the PRI.

Aleman Velasco explained that work along these lines will begin on 4 August and will conclude on 4 August 1993 in order to ensure that the 1994 presidential campaign can be self-supporting.

Another senator, however, the PRD's Porfirio Munoz Ledo, said that the plan of severing the PRI's economic ties to the government "is a game." He recalled that Ernesto Ruffo discovered that 36 billion pesos was

missing when he took office, and that another PAN governor, Carlos Medina of Guanajuato, discovered a shortfall of 31.5 billion pesos in the government coffers, "money that Rafael Corrales Ayala illegally gave to Ramon Aguirre."

"We have seen the PRI candidates spend fortunes that have been taken illegally from the public treasury," Munoz Ledo added. "PRI officials forget that I know quite well how they collect money for their campaigns."

When asked how they do it, the former president of the PRI answered, "They deliver the funds to the Finance Secretariat, directly to the office of the secretary. PRI financing is through the government, at the federal, state, and municipal levels, and anything they say to the contrary is a lie. Elections in Mexico are illegal from the moment the PRI receives government funding. As long as this is true, there can be no democracy."

Last Thursday, the PAN national directorate, led by Luis H. Alvarez, reported that the party's parliamentary delegation is drafting legislation to regulate campaign financing and candidates' access to the mass media.

"We are going to demand," stated Deputy Diego Fernandez de Ceballos, "that all political parties provide clear evidence of the origins of the public and private funding they receive, and that ceilings be imposed on campaign spending.

"It is not possible for such a poor nation to underwrite this fantastically extravagant spending."

(Contributing reporters: Gerardo Albarran, Antonio Jaquez, Patricia Davila, Francisco Castellanos J., Ricardo Ravelo, Isidoro Yescas, Alberto Aguirre, and Elias Chavez)

* Views on Social Liberalism, Credentials Polled

92CA0198B Mexico City ESTE PAIS ("Snapshots" Section) in Spanish Jul 92 pp 26-27

[Text]

President Carlos Salinas spoke a short time ago about social liberalism. Did you hear or read what he said?	
Yes, but did not understand	15%
Yes, is aware	3%
Did not hear or read	82%
Would you be for or against having your photograph on your voter registration credentials?	
For	72%
Against	4%
Neither for nor against	19%
Does not know/no response	5%
Do you think that photographs on voter registration credentials would contribute to cleaner elections?	
Yes	58%
No	25%
Neither yes nor no	8%
Does not know/no response	9%

[Box, p 26]

Methodology

Date of survey: 21 to 31 April [as published]. Sampling method: random, by cluster. Sample size: 1,480 questionnaires. Margin of error: plus or minus 2.5 percent. Type of interview: personal, in-home. Investigation directed by: CEOP [Center for Public Opinion Studies]. Survey directed by: Jesus Orozco. Graphic design by: Alejandro Moreno. Sponsored by: ESTE PAIS.

Do you think the Institutional Revolutionary Party (PRI) should cease to exist?	
Yes	18%
No	61%
Neither yes nor no	10%
Does not know/no response	11%
Do you think the government wants to turn Solidarity into a new political party?	
Yes	15%
No	55%
Neither yes nor no	6%
Does not know/no response	24%
Should Cuauhtemoc Cardenas run for president again in 1994?	
Yes	33%
No	41%
Neither yes nor no	9%
Does not know/no response	17%

[Box, p 26]

Methodology

Date of survey: November 1991. Sampling method: random, by cluster. Sample size: 1,526 interviews in 61 communities. Margin of error: plus or minus 3 percent. Type of interview: personal, in-home. Investigation directed by: Miguel Basanez. Survey directed by: Jesus Orozco. Graphic design by: Pablo Paras. Sponsored by: ESTE PAIS

El Salvador

Cristiani Announces ICJ Ruling on Border

PA1109191092 San Salvador Radio and Television Networks in Spanish 1654 GMT 11 Sep 92

["Special Message" from President Alfredo Cristiani to the Salvadoran People, place not given—recorded]

[Text] Salvadoran people: Today, 11 September 1992, is a historic day for Central America and especially for the Honduran and Salvadoran peoples. Early this morning the International Court of Justice [ICJ] at The Hague issued a ruling. This ruling is the result of a process that began in 1980 with the signing in Peru of a peace agreement between El Salvador and Honduras.

The Salvadoran people have always had a latent desire to see the country's borders defined and to know for sure who owns the Gulf Islands. Today the borders have been defined, ownership of the islands has been settled, and how the Gulf of Fonseca waters will be managed has been determined. But we must focus on this event from the viewpoint of leaving behind the part of our history that pitted two brother countries, Honduras and El Salvador, against one another.

The ICJ has issued a ruling. Our cartographers are already at the Foreign Ministry trying to pinpoint the details of the ICJ ruling, but we want to provide some advance information that they can later explain in more detail.

As you know, six areas of land—popularly known as pockets—were disputed. Each country presented its titles for these pockets and the ICJ has taken into account these ownership titles presented by both Honduras and El Salvador. Of the six pockets, a delimitation has been agreed on that practically gives a part of each pocket to each country. In general terms, some 150 square km of land have been adjudicated to El Salvador and approximately 290 square km have been adjudicated to Honduras.

One thing we want to say for the peace of mind of all the people living in the border areas is that all the municipalities that belonged to El Salvador continue to remain on Salvadoran territory, and that the status of those towns or settlements in our area has been defined. We have already formed a binational commission to work jointly on this so that no person within these areas will have any problems.

The human aspect of the solution to the problem is going to be our number one priority. As we have agreed with Honduran President Rafael Leonardo Callejas, the primary issue that will be taken into account is that we have to respect the human rights [humanidad] of all those who now find themselves on either Honduran or Salvadoran territory.

Regarding the islands—the issue that I believe created the most expectactions, especially because one of them is a Salvadoran municipality—we can say with great satisfaction that the islands of Meanguera and Meanguerita remain part of Salvadoran territory and belong to El Salvador. We would like to congratulate the residents of Meanguera and Meanguerita, who had been waiting for this ruling with great expectations and who can now rest assured with the knowledge that they belong definitively to El Salvador.

As for the waters of the Gulf of Fonseca, in general terms the ICJ has ordered the delimitation of a 3-mile-wide strip along the coast that belongs to El Salvador, Honduras, and Nicaragua. Regarding the remainder of the waters of the Gulf of Fonseca, the ICJ has respected the 1917 ruling handed down by the Central American Court of Justice, which said that these waters should be used in condominium. The ICJ said the waters can be divided if the three parties agree to it, but that in general terms it respects the 1917 ruling that says the three countries have shared [preindiviso] rights within the body of water that makes up the Gulf of Fonseca. Naturally, later we can make a tripartite effort to use the waters in the Pacific Ocean.

Salvadoran people, we believe that under these circumstances what we must do now—not only as Salvadorans but as Central Americans—is to thank the Lord that another problem between brothers has been resolved. Instead of criticizing the ICJ ruling, we must now look toward the future, a future that we can achieve for the welfare of our peoples, the Central American people in general, and the Salvadoran and Honduran peoples in particular.

This morning we read a very interesting editorial in a newspaper that said that although today the borders have been demarcated, the task of Central Americans from now on is to erase those borders so as to become a Central America that will respect individual nationalities but will unite us as a single, fraternal people.

Salvadoran people, in a few minutes we will leave for the El Amatillo border post to meet with Honduran President Rafael Leonardo Callejas to tell the world together that our governments are going to respect—in good faith and to the letter—the ruling issued by the ICJ at The Hague this morning.

FMLN 'Respects' Ruling

PA1209031992 Paris AFP in Spanish 0214 GMT 12 Sep 92

[Text] San Salvador, 11 Sep (AFP)—The Salvadoran guerrilla general command has asked the Honduran and Salvadoran Governments to declare the border dispute areas "zones of peace" and honor the civilian rights therein. The International Court of Justice [ICJ] defined the jurisdiction over these areas on Friday 11 September.

In a communique, the Farabundo Marti National Liberation Front [FMLN] said it "respects" the ICJ ruling, which settled a century-old border dispute between the two countries. The FMLN, however, expressed concern over the fate of the people affected by the new borders.

The highest UN court allocated the majority of six border areas to Honduras and gave to El Salvador two strategic islands in the Gulf of Fonseca in the Pacific Ocean.

FMLN sources voiced concern over reports that the Honduran Army on 11 September raised the Honduran flag in the border area of Nahuaterique, north from Morazan Department, which is located in the country's western area.

The area, 161 sq km and with some 4,000 inhabitants, most of them Salvadorans, was one of the guerrillas' most important border bastions during the 11-year civil war that concluded on 1 February.

A similar situation occurred in the other zones, whose inhabitants told local radio stations they feared the Honduran Army's "hostility."

By agreement between the two countries, soldiers could not enter the zones. The FMLN, however, pitched its camps there and created with the population a new community production system.

On 11 September, the guerrillas, now transformed into a political party, demanded that the zones be "demilitarized" and that "the human, political, economic, social, and cultural rights" of the Salvadorans residing in the zones now belonging to Honduras "be respected."

The organization called the United Nations Observer Group in El Salvador, which supervises the peace process, to take measures to protect the residents of the area.

In view of the imminent problems the residents will face as a result of the new delimitation, the FMLN has demanded the international community to support the human development of these residents.

San Salvador Auxiliary Bishop Gregorio Rosa has warned of the drama these residents might experience when they "go to bed citizens of one country and wake up citizens of another."

To clarify the fate the residents of these areas, bilateral commissions will establish the nationalities that these residents desire. In addition, their properties will not be touched, government sources said.

FMLN Commander Cited

PA1209221092 San Salvador Radio Cadena YSU in Spanish 1200 GMT 12 Sep 92

[Report by Carlos Mario Valle]

[Text] The International Court of Justice [ICJ] ruling has created concern among many Salvadoran sectors, especially among those residing in the disputed areas. Carlos Mario Valle has the following information:

[Valle] We are going to talk now with Farabundo Marti National Liberation Front [FMLN] Commander Jorge Melendez, alias Jonas. We want to know how he feels about this ICJ ruling and about the fate of the 4,000 people living in Nahuaterique. Good morning, Commander.

[Melendez] The position of the FMLN has been clear regarding the ruling. We are going to respect the ruling. We must admit this ruling did not fulfill our expectations, which are based on the country's interests and on what we thought could have been achieved. Objectively, the results have been negative. We will respect the ruling and its consequences, however.

Since the ruling has been accepted, we must resolve the many consequences this ruling will have on thousands of Salvadorans. You mentioned the Nahuaterique area. More than 4,000 persons live there. The ruling was also unfavorable for us in north La Union and north Chalatenango, two so-called conflict regions. I think that at this moment it is important all Salvadorans show their solidarity with these Salvadoran communities and be ready to help these communities. The most important task is to guarantee fundamental rights, to respect the will of the people, and to ensure fair treatment for the people of these communities.

Many problems have to be resolved—nationality, property, and documents. There must be fair treatment.

On our part, we think that now there is a ruling—regardless of how we may view the way the Nationalist Republican Alliance administration handled the disputed land areas—we must work for a positive situation. This solution should contribute to resolve the problems.

[Valle] Excuse me, commander. Will you request a meeting with President Cristiani and President Callejas of Honduras to find a solution to this problem?

[Melendez] The FMLN has been in contact with the Honduran Government since 11 September to request a meeting. We are also going to request a meeting with President Cristiani to install resolution commissions and a commission for the normalization of the people's situation. We believe it is most important that the FMLN participate in these commissions because the FMLN is the political force that has influence on this population and has political prestige, let us say, among that population.

It is also important that the communities participate directly to make decisions on how this situation will be resolved. We are especially interested in areas that have just withdrawn from the war. The FMLN has publicly stated this position. These areas have lacked all sort of aid or help from the government. We are interested in

having these areas declared peace zones to avoid militarization, to allow the population to assimilate to the new situation quietly, and to ensure they receive special treatment that will contribute to their social and economic development. These areas were going to benefit from the National Reconstruction Plan. Now that they are going to be under Honduran sovereignty, this circumstance must be considered.

[Valle] According to reports, Honduran troops moved in on Nahuaterique and are already occupying it, and have even hoisted their flag. What would you say to the Honduran Armed Forces, considering that the two governments have created a binational commission to resolve the problems of the people there?

[Melendez] It is not legal for the Honduran Army to enter any of these areas. The definite marking of the border will be made three months after the 11 September ruling. My appeal would be, first of all, to respect legal procedures. Second, we appeal to the Honduran Government to guarantee that military forces leave that area because that is one of the zones that has been demilitarized. There is no problem there. Those communities are organized. They solve their problems and are working for the future. After 12 years of war, they now have peace.

Unfortunately, some members of the local Honduran Army stationed near the border and some paramilitary people have been talking about some sort of revenge, about seizing and redistributing the land. This could create a situation of threats and abuses against the population. Our appeal is urgent and heartfelt in favor of these people's rights and to prevent any kind of militarization in those areas.

On 11 September we requested the presence of human rights observers from the UN Observers for El Salvador. We are going to try to guarantee this presence today. This is our appeal at this moment, as long as the border has not been marked, so that guarantees and calm will be given to the Salvadorans. As I said earlier, we appeal to the Salvadoran people to be ready to help and to act in solidarity with citizens who will have to decide on a new life. They could perhaps be given double nationality. Alternatives should be sought to allow the people living in those territories to integrate themselves with Honduras. We have noticed a somewhat abusive attitude in the Honduran Army and we appeal to the Honduran Government to act responsibly. I repeat: The immediate presence of the Honduran Army in those territories is illegal. That kind of action will make the integration process difficult and goes against the human rights of the people who live in those areas.

[Valle] Thank you Commander Jonas for your statement on the situation in the Nahuaterique area.

Pro-FMLN Groups Intercept Convoy, Block Roads

PA1309034492 San Salvador EL MUNDO in Spanish 11 Sep 92 p 3

[Text] The Defense Ministry has reported that a group of about 200 FMLN [Farabundo Marti National Liberation Front] supporters on 10 September intercepted a convoy of 10 vehicles transporting officers and troops to the El Amatillo border point in La Union Department. The troops were to provide security at the ceremony marking the International Court of Justice ruling on the border dispute between Honduras and El Salvador.

According to the report provided by the 3d Infantry Brigade, to which the troops belong, the incident took place in the road from San Miguel to the border, specifically at the detour leading to the town of Sociedad. The problem was resolved by the intervention of UN Observers for El Salvador and the military units were able to proceed to comply with the security measures in the area.

Meanwhile, the Defense Ministry cited the 6th Infantry Brigade as reporting that members of the self-styled "Coordinating Board of Salvadoran Resettlers" (Coresal) [Coordinadora de Repobladores Salvadorenos], many of them armed with machetes, on 10 September blocked traffic on the Coastal Highway near the detour leading to Jiquilisco, Usulutan.

In addition, the 5th Infantry Brigade reported that approximately 50 armed members of the FMLN stopped public, commercial, and private transportation vehicles at the detour to San Vicente on the Pan American Highway, where they burned tires and blocked traffic with vehicles. The same thing happened near Villa El Triunfo, Usulutan Department.

Meanwhile, in the western part of the country, the 5th Infantry Brigade reported, armed individuals blocked one of the streets in downtown Sonsonate with two public transportation buses. In addition, another bus was placed at the entrance of Nahuizalco in the same department. The perpetrators of these acts of violence are members of different pro-FMLN groups. Finally, cargo transportation vehicles and commercial trucks were placed on the road leading to the Port of Acajutla.

Unknown Assailants Attack ARENA Headquarters

PA1109222492 San Salvador EL DIARIO DE HOY in Spanish 9 Sep 92 pp 2, 69

[Text] The headquarters of the National Republican Alliance [ARENA] was attacked on 8 September by approximately 100 persons, some of them wearing masks, armed with Uzi sub-machine guns, pistols, and grenades.

According to information disclosed by ARENA security guards and some party members, at approximately 1045,

nearly 100 men and women, looking like common criminals, arrived with no warning in two pickup trucks and a taxi at the front entrance of the party headquarters.

The security guards immediately closed the front doors and occupied defensive positions while the assailants proceeded to paint the outer walls with leftist slogans and hurled plastic bags filled with red and black paint.

Several persons who at the time of the attack were in the ARENA headquarters pointed out that "apparently the assailants were looking to take over the building, take some hostages, and afterward pressure the government and the party for only God knows what kind of concessions".

Another witness said that the assailants attempted to provoke the security guards into firing at them which would have lead to a tragedy.

Several ARENA deputies condemned the attack and said that it was unfortunate that there are individuals who still cling to irrational methods.

Deputy Mario Valiente said "we are going to repaint the building and make it more beautiful than it was before. The problem, however, does not lie there. What is more worrying is the purpose hiding behind these people." He added that "the Salvadoran people are fed up and tired of violence and provocation." Valiente also indicated that belligerence generates uncertainty since it was believed that once the peace agreement had been signed, this type of conduct would no longer be repeated.

Deputy Rene Figueroa did not want to implicate any specific person, however he did point out that the revolutionary strategy used by the FMLN [Farabundo Marti National Liberation Front] is based on destruction.

One of the employees said that "the whole [peace] process has only served to demobilize the Armed Forces and disarm the people. Now, the party is about to begin once again."

The attack against ARENA headquarters coincides with the reappearance of an underground organization that calls itself the "Salvadoran Revolutionary Front" [Frente Revolucionario Salvadoreno] and on 6 September, over telephone, promised to launch a sabotage campaign against the national economy.

Ironically, the attack against the ARENA headquarters took place at time when the FMLN leadership, headed by [Jorge] Shafik Handal, had left for Europe to seek economic assistance for national reconstruction.

Honduras

Officer Denies Report on Plot Against Discua

PA1109180092 San Pedro Sula TIEMPO in Spanish 9 Sep 92 p 8

[Text] General Lazaro Avila Soleno, chairman of the Joint Chiefs of Staff of the Armed Forces, denied any involvement in an alleged conspiracy to overthrow his chief, Gen. Luis Alfonso Discua Elvir.

"I want to state categorically that I do not know what is behind these speculations. I was the first person surprised by this news. I remain in my job as usual," Avila said.

He added: "I am a close and loyal assistant to the commander in chief. I consider him my personal friend, for many years we have had a close relationship and this is definitely mere speculation for reasons unknown to me."

"This news is absolutely false and unfounded," the officer said referring to a radio station report that gave assurances that Avila was preparing a plot to remove Discua as head of the Armed Forces.

"Every time the commander in chief travels abroad I become his legal replacement and I always do so to the best of my ability," Avila said.

"I wish to reiterate my sincere loyalty to the military command. I shall do so while I am soldier as I have invariably done during my 30 years in the Armed Forces," he said.

The officer declined to comment on the motives behind these radio broadcasts and ruled out any dispute within the military hierarchy.

Nicaragua

Chamorro, Lacayo React to D. Ortega Statement

PA1209152892 Managua BARRICADA in Spanish 11 Sep 92 pp 1, 14

[Report by Maria Alicia Talavera]

[Text] Visibly angered by statements made by Commander Daniel Ortega to BARRICADA that a recent report on presidential rejection of U.S. meddling is a "government smokescreen" and a means of "washing its hands like Pontius Pilate," President Violeta Chamorro engaged the former president in a verbal war, warning that "he had better remain silent to keep me from exposing his dirty linen in public."

The president first tried to evade journalists who asked her about Ortega's statements during the inaugural session of the directorate of the Nicaraguan Institute of Municipal Development.

"I do not wish to say anything else about him. I already answered your question. I do not wish to say anything else about Mr. Ortega," Chamorro said.

She added in a spirited tone: "I was a member of the government junta," and described Ortega as the one who "sold Nicaragua to Cuba, the German Democratic Republic, and the Soviet Union, and reached agreements with the United States."

What agreement, a radio reporter asked, and Chamorro answered: "Ask him."

"My hands are clean. That is all I can say to Mr. Ortega. He knows that perfectly well. I have never reached agreements with anyone and that is why I asked him to zip his lip," Chamorro added.

Despite her anger, Chamorro recognized the right "of everyone" to criticize and alluded to journalists, stating: "You criticize, there is freedom of the press here. Otherwise, we would be wearing a huge muzzle. Those who could not speak out went through horrible times, as was the case of LA PRENSA, which was censored for a few years."

Presidency Minister Antonio Lacayo reacted to Ortega's statements by saying he "has forgotten the attitude that Mrs. Chamorro has displayed since 1979. Those facts should not be hidden from the people."

Lacayo said Mrs. Chamorro was the one "who remained firm on behalf of Nicaraguans" when U.S. pressure sought to expand the government junta from five to 12 members.

"Mrs. Chamorro said Daniel Ortega yielded to that pressure. The truth must be spoken clearly," Lacayo added.

Daniel Nunez, president of small agricultural producers group (National Union of Farmers and Cattlemen), said it is necessary to support government efforts in one way or another and described as "unfortunate" the president's recommendation that Ortega zip his lip.

He admitted that in the past Chamorro "was very nationalistic" in rejecting pressure.

Chamorro denied a government delegation is trying to unfreeze the aid in Washington. Quite the contrary, she added, "Mr. Alfredo Cesar is trying to ensure it remains frozen."

Chamorro announced she will travel to that country next week (16 September) for a 10-day stay to meet with university authorities and businessmen in Pittsburgh, Pennsylvania; attend a women's event in Denver, Colorado, and a UN General Assembly meeting, and visit her grandson Tolentino and other relatives in Washington.

Ortega Responds

PA1309002792 Managua BARRICADA in Spanish 12 Sep 92 pp 1, 10

[Article by Noltelia Gonzalez]

[Text] A controversy between President Violeta Chamorro and Commander Daniel Ortega over the right to interfere in the country's domestic affairs heated up for the fourth time this week.

During a news conference on 11 September, the Sandinist leader urged President Chamorro to be more careful with her statements and described as "unacceptable" the language the president used in her most recent statements.

Ortega said Chamorro is using the Somozist language, the same one used by dictator Somoza "when he asked her husband," Pedro Joaquin Chamorro, "to zip his lip."

He added the president "must act like a president and respect others to deserve the respect of others. The best way to strengthen the president's authority is to point out her mistakes," Ortega added.

He denied having reached agreements with the United States on the establishment of the government junta in 1979. We must admit that Mrs. Chamorro did not yield to pressure from the gringos then, but it is absolutely false that we agreed to expand the government junta.

The Sandinist leader on 11 September accused former Prosecutor General Duilio Baltodano of accepting bribes from several individuals who had suffered confiscations in exchange for the return of their properties.

Ortega dismissed the validity of orders to return properties issued by the former attorney general, because he "was paid to issue them." Thus, he demanded an immediate review of such orders.

"The idea is not to revoke all orders he issued, but to study and review each one of them," Ortega added.

He categorically rejected the payment of compensation to those who were affected by confiscations under Decrees 3 and 38 or those who were already compensated during the past decade.

In rejecting the return of property to Somozists, Ortega cited the example of land allotted to Cardinal Miguel Obando y Bravo to build a cathedral. "Relatives of Somoza are claiming that land, but we will not let them take it away from the cardinal," he added.

Ortega met in the afternoon of 11 September with Democratic Senator Bill Alexander to discuss aspects surrounding the U.S. aid.

Alexander said he came to the country to "explore all aspects of this issue in preparation for an upcoming

debate on aid to Nicaragua, because in two or three weeks the Congress could be debating the disbursement of aid to Nicaragua."

Ortega described as "very important" the disbursement of $116 million in aid to face "in part, the country's enormous difficulties" and urged all social, political, economic, and religious segments of the population to multiply efforts in a common front to demand that the U.S. Government unfreeze those funds.

Minister on Police Organic Law, New Appointments

PA1309002392 Managua BARRICADA in Spanish 12 Sep 92 pp 1, 10

[Report by Carlos Garcia Castillo]

[Text] On 11 September, Government Minister Alfredo Mendieta Artola announced the appointment of four new National Police deputy directors and confirmed that, according to the institution's new Organic Law, Commander Fernando Caldera Azmitia will occupy the position of director general of the National Police for a four-year term.

According to Mendieta's announcement, the four new National Police deputy directors are Commanders Luis Chavez Solis, Leonel Espinoza Linarte, Eduardo Cuadra, and Alvaro Guzman. They will be responsible for the Physical Protection Department, the Police Academy, the Departmental Office, and the Second Police Command, respectively.

Chavez replaces Commander Juan Jose Ubeda, who has retired.

Mendieta said the formation of the Police Academy will be given priority as it is the spearhead of the professionalization process promoted by the Government Ministry with the cooperation of the Spanish Government.

The government minister asserted that the charges and the criticisms against Caldera and Deputy Government Minister Ronald Aviles have not been proven and "are totally groundless."

"In a country like Nicaragua, where many tensions prevail, any official is subject to criticism. Nothing has been proven, the charges are groundless and do not worry us," Mendieta stressed.

He then added that we have to think of the future and give a vote of confidence to Commander Fernando Caldera. "It is well worth it to give the future a chance," he insisted.

Aviles, the new deputy government minister, said—when he took the floor—that he had accepted the post because "I love my country and am moved by a strong civil, republican, and democratic spirit."

Mendieta explained that the new Organic Law establishes a temporary six-month ruling that allows for "transfers and reentries" in the National Police, if and when they are considered opportune and are approved by a special commission which he heads.

According to the law, the director general of the National Police will hold the post for four years and the deputy directors will hold their posts for three years.

Minister Mendieta announced a land plot for a housing program to benefit 1,800 policemen.

Police Director Pledges To Investigate Crimes

PA1109215992 Managua Radio Corporacion in Spanish 2200 GMT 9 Sep 92

[Text] Fernando Caldera, the new director of the National Police, has been criticized severely by all the country's social sectors for his disrespect for human rights. He, nevertheless, has pledged to improve the behavior of policemen and clarify a number of crimes perpetrated in the country.

Caldera, who was involved in the kidnapping and forced exile of Monsignor Pablo Antonio Vega, bishop of Chontales, said he intends to clarify the assassination of Colonel Enrique Bermudez Varela and young man Jean Paul Genie Lacayo. Caldera pledged to correct the irregularities related to these crimes by orienting the investigations in the right direction. He said finally that the police are undergoing a restructuring and it is necessary to change the organization's image in the eyes of the Nicaraguan people.

Commentary Views Appointment of Police Director

PA1009152192 Managua Radio Corporacion in Spanish 2200 GMT 8 Sep 92

[Jose Castillo Osejo commentary]

[Text] When paint is of poor quality, it comes off with the first rains, uncovering what the painter tried to cover. There is great interest in the changes that reportedly will take place throughout the country. The government, perhaps furtively meeting Senator Jesse Helms's demands, has announced with fanfare that Rene Vivas has retired and has been replaced by a military man who left unpleasant memories in the area of Chontales. We wonder who they are trying to cheat. The people are not dumb and do not forget. The people know the soldier's background and know about the golden crown placed on his head by the local church head, Bishop Pablo Antonio Vega, who described him as a dogmatic person and said the appointment has caused great concern.

Previously, the soldier had declared himself a great friend of the bishop. But the bishop, when interviewed, going by the truth but without scoffing and not even speaking maliciously, told what the people know and think about the new police director. The important thing now, what is being sought, is to satisfy those who provide us with dollars. And, because a monkey will dance if there is money, we need this money at all costs to carry

out the projects whose completion depends on the millions that the United States had been releasing for us. In other words, we do not believe such changes can be very satisfactory because, in addition to being cosmetic, the quality of the material used for the makeup is unsatisfactory.

The Americans might be slow in their decisions, but they are not dumb. They gave the government enough time to fulfill the agreements and comply with the words pledged. Perhaps the fact that no demands were presented in two years confused the Nicaraguan executive, who thought he had played dumb and that everything was all right and accepted by the Yankees. The truth is no one would swallow this hook, much less when official statements try to bury the past of those who one day treated the people mercilessly, showing their barbaric ways and arrogance, stripping each citizen who fell into their hands of his rights. Anyway, what is done is done and no one can cover up matters that caused commotion when they occurred.

Several days ago, we commented that it is not men and names, but attitudes and frames of mind, which should undergo a change. The new police chief has not been approved by the people, who mistrust him and feel no sympathy for him. There are dark memories and, in an extensive area, there is a deep, very deep, unrest. We do not agree with the change, although, naturally, this will make no difference. Anyway, the unrest has been expressed and, where there is smoke, there is fire.

In addition, this is no time for justification, although political crimes were covered by a president's amnesty. Crimes are crimes and can never be waivered. They are there, always showing, and the victims of those crimes or the relatives of those who fell under the executioner's hand will always remember. No amnesty will be able to make them forget. Something very strange happens here. People are always talking of reconciliation. But it has not been clarified what kind of reconciliation is being sought, wanted, or desired, or whether the victims will have to go on turning their other cheeks and the abusers will have a permanent license to continue to treat a disarmed people brutally. Let this be understood clearly. You just cannot take the people in. You cannot go on deceiving them or keep them in fear because one day, and history shows this to be true, the people will break off the bonds of fear and lunge forward to find their sacred freedom.

A long time has passed. It is high time for the things to be treated seriously and responsibly. We should not keep handling complex problems with the utmost disregard thinking the people must bear up with whatever whim and decision comes to the mind of those in power. The common thing in this country has been deception. Somoza arrived and installed himself for several decades, lying and promising, without ever making good his word. Then the FSLN [Sandinist National Liberation Front] people did likewise and were the same or worse than Tomas de Torquemada, the relentless and fanatic Dominican friar of the Spanish Inquisition.

The FSLN, with clubs, torture, terror, and death, tried to turn an entire people into communists. For this, they unleashed an unfair war, which caused us so much grief, bloodshed, and mourning. We think this is no time for makeovers, but realities. We have harbored great hopes and do not want either to abandon it or to return to the din of battle, crying, or pain. This is the time to come down and make the recalcitrants understand that their time has passed and that we are living in an era time of freedom and democracy. Both within and outside our country, communism passed into history. Therefore, they cannot, or should not, demand that for which they have no right to ask. Thank you.

EPS Confirms Officers To Be Trained in U.S.

PA1109191492 Managua BARRICADA in Spanish 8 Sep 92 pp 1, 8

[Report by Guillermo Cortes Dominguez]

[Text] Two Sandinist People's Army (EPS) officers will attend a seminar at Fort Bragg, a U.S. military installation located in North Carolina, EPS Spokesman Lieutenant Colonel Ricardo Wheelock Roman has confirmed.

The two officers, who have not yet been designated, will attend a seminar to become instructors on removing mines. This will enable them to teach this course in Nicaragua to local officers and soldiers, as well as officials in Costa Rica, Honduras, and El Salvador.

They will not be the first EPS officers to attend courses on U.S. bases, because previously—very recently—other officers attended courses in the Panama Canal area and another unspecified location in U.S. territory. In both cases the soldiers attended courses on medical administration.

The training at Fort Bragg with other Latin American officials is very symbolic because the U.S. invasion expected by the Sandinist government on several occasions last decade during the conflict with the United States, would come precisely from that military installation, according to EPS intelligence sources.

Still no date has been established to defuse or destroy approximately 114,000 mines in Nicaraguan territory because, according to Wheelock, everything depends on the disbursement of economic aid by the Inter-American Defense Board (JID).

The United States has already disbursed $250,000 of that aid. On 10 September, a commission—including representatives of Japan and European countries in addition to the U.S. representatives—will meet in Washington under the auspices of the OAS to request that these countries support the plan to remove the mines. The cost of this plan has been estimated at $9 million.

The EPS spokesman confirmed that the Military Academy of Nicaragua will be opened next year. The academy installations, which will soon be remodeled, will be at the Oscar Turcios Tank School located in the vicinity of the Cesar Augusto Silva Convention Center.

The academy will offer a basic course for officers lasting from three to four years. The new Army recruits will come from the academy, because—although the Army reduction has been completed—there will be promotions and retirements.

The guidelines to regulate the promotion and retirement system are being prepared, Wheelock revealed. He refrained from giving further information regarding these guidelines.

Wheelock disclosed that the Directorate of Military Intelligence (DIM), the Directorate of Counterintelligence (DIC), and the Directorate of Information for the Defense (DID) will not be merged into one or two agencies. They will maintain their independence, "because they cover different areas." He added, they form what he called a "Community of Intelligence."

The EPS spokesman denied that the Army has nominated him to occupy the post of military attache in Washington. For several months last year, Wheelock was virtually ready to travel to the United States.

Although, like he said, "we officially never asked for U.S. approval," it is known in military and diplomatic circles that the United States made the inconvenience of the proposed nomination clear to the EPS.

Wheelock also reported that the EPS does not have military attaches in any country, "because we still have not completed the reorganization of the Army."

Finally, Lt. Col. Wheelock dismissed that an increase in military activity is taking place, adding that the recent actions in the northern part of the country were carried out by isolated groups. Wheelock concluded that "there is no increase" in military activity.

Finance, Presidency Ministers on Financial Plan

PA0909224792 Managua BARRICADA in Spanish 7 Sep 92 p 11

[Report by Maria Alicia Talavera]

[Text] Finance Minister Emilio Pereira said the Nicaraguan state structure must definitely be reduced because it is "too big" when compared with the size of its economy.

Surprised by the fact that BARRICADA had learned about the document prepared by his ministry outlining the 1993 budget policy, Pereira said: "We are making an adjustment of approximately 110 million cordobas, particularly in public enterprises and the central government."

According to the finance plan, state posts and salaries will be frozen in 1993, among other things. "The cut has nothing to do with personnel reductions. In any case, if we continue to carry out the Occupational Conversion Plan, it will be done on a voluntary basis," because state funds have been used up, he said.

Pereira referred to the budget policy document and said foreign aid levels will decrease, so "we must prepare for the future." He also said state expenditures must be rationalized because public and private investments fall every time an adjustment is made.

Reductions will be made in assets and services rather than personnel, and some investment plans will be postponed.

The document, published exclusively by BARRICADA, reveals that the Finance Ministry practically controls everything, like a super ministry.

Referring to the latter, he said: "This is not exclusive to Nicaragua. The Finance Ministry is in charge of the state's transformation in all the countries where adjustments are made (Mexico, Chile, Argentina)."

Asked about his recent trip to Washington where he talked with World Bank and IMF authorities, Pereira reported that multilateral agencies review adjustment programs every three months.

Nicaragua must fulfill its Adjustment Plan commitments for the third quarter of 1992. Pereira said that after checking the figures, only Nicaragua and Honduras "are doing well."

Other countries in the region have had fiscal problems, primarily due to the harsh effects of reductions in coffee and cotton prices and the increase in oil prices. Nevertheless, Nicaragua "is still setting an example of stabilization and adjustment despite its great limitations. According to multilateral organizations, it can be compared only with Argentina and Mexico," he said.

Presidency Minister Antonio Lacayo said over the weekend of 5 September that World Bank and IMF worries about the fiscal deficit in Nicaragua "are still valid because we live on the verge of what could be called an infraction of the programs and agreements we have signed with them."

He recognized that this would be the third or fourth time Nicaragua has shown "it can fulfill its pledges even when they demand some pluck."

Pereira termed the meeting with AID officials "positive and firm. They said the aid issue will be settled soon." He warned Nicaraguans that they must prepare to fend for themselves and rely on their own resources "because aid will not last forever."

Foreign Cooperation Minister Erwin Kruger recently said $50 million of the aid withheld by Washington is urgently required to comply with the adjustment plan in September.

Pereira said: If the aid is not received "there will be fewer public investment programs, a reduction in assets and services, greater austerity in public expenditures, and speedier privatization. In the meantime, however, we would have to get stopgap loans from countries that have helped us in the past (Mexico, Venezuela, and Colombia)."

Pereira said he is sure the U.S. funds will be released despite the "De Moss note." As he explained to John Maisto, U.S. under secretary of state for Central America, "it is easy to prove that the report contradicts" what can be verified by the diplomatic corps and the international community.

Deputy Minister Leonel Rodriguez said practically the same thing. "The state is too big a burden for the economy to bear. Relatively speaking, it is the second largest one in Latin America after Cuba."

More on 1993 Budget

PA0909224692 Managua BARRICADA in Spanish 7 Sep 92 p 11

[Text] The Finance Ministry's General Budget Directorate has outlined colossal tasks for the government in its report entitled; 1993 Budget Policy: Nonfinancial Public Sector. Among the tasks are the reorganization of the public sector, strengthening its controls, increasing efficiency in the rendering of services, and developing agencies' managerial capabilities.

The document states that the government has taken steps to reduce its current expenditures and carry out an investment program to strengthen the production system. The document adds: It is necessary to prevent a deterioration in the central government's fiscal position in the medium term and to maintain an aggressive program of urgent investments in the next three years primarily for the following reasons:

1. Foreign aid will decrease over the years.

2. The foreign debt service will gradually increase over the years.

3. Investment efforts will demand additional resources to maintain and operate new projects.

The Finance and Presidency Ministries will sponsor the control of expenses by sector. Several institutes will be subject to a specific ministry's authority.

The INE [Nicaraguan Institute of Energy], INAA [Nicaraguan Water and Sewage Institute], Telcor [Nicaraguan Telecommunications and Postal Services], and INSSBI [Nicaraguan Social Security and Welfare Institute] will submit to the presidency a program to reduce operational expenses for the 1993-95 period. The Finance Ministry will guarantee that there will be no increase in the state's employment levels. Hiring new employees will not be authorized; payroll limits will be established for each agency; and the personnel relocation will be sponsored to fill new jobs and strengthen preexisting structures.

No salary increases are foreseen, and new jobs will be frozen in the health and education sectors.

The Finance Ministry will supervise the adjustment of basic service rates, which will only be increased to maintain their real value. The comptrollership will conduct audits either on its own or on behalf of the Finance Ministry whenever necessary. Audits will be conducted at all central government agencies that collect or receive revenues on its behalf or on the state's behalf.

The Finance Ministry will appoint budget delegates at the ministries and state agencies and representatives at the state banks' boards of directors. It will also strengthen mechanisms to follow up on and control public service enterprises (INE, INAA, TELCOR, and INSSBI).

Communique on Amparo Filed Against Assembly

PA1209030892 Managua LA PRENSA in Spanish 10 Sep 92 p 12

["Text" of communique issued by the Nation Assembly in Managua on 10 September]

[Text] This is what we have to say regarding the amparo filed against the National Assembly by Dr. Sergio Ramirez Mercado and Dr. Gustavo Tablada Zelaya, both as private citizens and representatives in the Assembly, on what happened on 2 September during the continuation of the 12th regular session of the National Assembly.

I. On 9 September, the National Assembly presidency was notified at 0840 of a resolution issued by the Civil and Labor Chambers of the 3d Region's Court of Appeals. In the resolution, the Court of Appeals admits and orders the carrying out of such a recourse and declares that "the temporary suspension of the juridical effects and consequences of the 12th regular session of the National Assembly's eight legislature held on 2 September has been accepted." [sentence as published]

II. This recourse is clearly inadmissible for a number of form and substance reasons, but most of all because neither the Court of Appeals nor the Supreme Court of Justice have jurisdiction to rule on conflicts of a constitutional nature between state branches or government officials. Neither the Constitution nor the Protection Law gives these two bodies jurisdiction over such matters. These two bodies arbitrarily taking these powers upon themselves constitutes a flagrant intrusion by the judicial branch into the operation of the legislative branch. In addition, it is a generally accepted procedure when dealing with an amparo that such a recourse does

not apply to actions or decisions referring to the internal organization of the state powers. This doctrine has prevailed in all protection legislation, both in Nicaragua and other countries.

III. In view of this, the National Assembly presidency has asked the Court of Appeals to revoke its resolution and to turn down the filed recourse because it is inadmissible. The refusal to honor the request for revocation would indicate a clear political move to paralyze the parliamentary activities and would indicate an attempt to place the legislative branch at the service of certain group and party interests. Such a refusal would be against institutional order and the vital interests of the Nicaraguan people, while the perpetrators of the attempt continue to enjoy their salaries and privileges as representatives of this same people.

[Issued] Managua, 10 September 1992.

Articles Deal With Crisis Within FSLN

PA1209005692

[Editorial Report] Managua BARRICADA in Spanish on 6 September, on page 15, carries three articles dealing with the crisis within the the Sandinist National Liberation Front, FSLN.

The first, 500-word article is by Ernesto Castillo, former justice minister under the Sandinist regime, and is entitled: "What Are the Priorities Within the FSLN." He says that two years after its election defeat and after holding an FSLN congress and several FSLN assemblies, many Sandinists are still confused. They feel the party lacks political definition, they question the existence of traditional FSLN ethical values, and believe that a new National Directorate may prove necessary. Another issue within the FSLN is that an increasing number of its leaders are businessmen who cannot identify with the problems of the unemployed or underpaid. The article concludes that: "An ordinary or extraordinary congress will not bring about the FSLN's renewal and strengthening, if we approach that event as we did the first. We must first resolve our most urgent, basic problems: a) Leadership, guaranteeing that the Sandinist Assembly will play its proper role and the National Directorate will be reduced through resignations. b) To clearly establish ethical rules to regulate the conduct of FSLN members."

The second, 1,000-word article is written by Francisco de Asis Fernandez Arellano, former director of the Nicaraguan prison system and is entitled: "The FSLN We Have." It deals with the divisions that took place within the FSLN during the seventies. Three factions were formed, each claimed legitimacy, and there were quarrels and rancor but, the article states, it was an era of "very rich ideological struggles, proposals and counterproposals, and political theories that outlined and re-outlined a possible Nicaragua in a revolutionary struggle, with Sandino and the construction of a democratic society as its symbols."

This article goes on to outline four current trends of opinion within the FSLN. One trend features General Humberto Ortega, whose source of expression is the Army, for which he wants permanent institutionality; Victor Tirado, who promotes the National Union of Farmers and Cattlemen, a source of concerted effort par excellence; and Sergio Ramirez Mercado, leader of the Sandinist faction at the National Assembly, who promotes stability, a de jure state, and concerted effort. Another trend is represented by FSLN Secretary General Daniel Ortega Saavedra, who feels the FSLN should be in the hands of the laborers and peasants. His means of expression are his speeches for the FSLN, National Workers' Front, and Farm Workers Association. He also has a following that includes a group of former Armed Forces members.

Another trend is represented by the only surviving founding member of the FSLN, Tomas Borge. He feels that the laborers and peasants are the main foundation of the FSLN, but with socialism. He feels that the collapse of socialism is temporary because humanity naturally leans toward socialism. Yet another trend proposes a National Plan; it is the only trend that emerges from the FSLN's rank and file. Its goal is to democratize and modernize the party, and it would open the FSLN to all Nicaraguans without any restrictions whatsoever.

The third, 800-word article, "Congresses and Leaderships, An Opinion on Two Topics," is written by Sandinist journalist Onofre Guevara and asserts that the debates within the FSLN seem to lead to a dichotomy: change and leadership, the fundamental issue being change. To many people, he explains, changes—especially in the National Directorate—will require an extraordinary congress. This is why so much is being said about leadership and certain figures and their spheres of influence are being highlighted.

The FSLN, Guevara writes, has proven to be "a living and dynamic organization, whether or not it is in power—do you remember last 19 July?—and in over 30 years it has only held one congress...thank God."

The article explains the importance of congresses, saying they are most effective following a period of actions and activities that fulfilled a high percentage of the party's previous resolutions. It also explains that leadership in a revolutionary party is earned through total and sincere devotion to the struggle during which one either falls or survives.

Guevara concludes that the laws of development—and not the FSLN's loss of power or the events in the socialist bloc—will bring about changes within the party.

Panama

Resignations of Endara, Arias, Ford Demanded

PA1209185892 Panama City CRITICA LIBRE in Spanish 11 Sep 92 p2

[Report by Jose Otero]

[Text] Leaders of the National Rescue Movement demanded on 10 September the resignation of President Guillermo Endara and his two vice presidents because they took power illegitimately. These leaders also noted a transition government must be established to resolve the profound political and economic crisis the country has been experiencing since 20 December 1989.

According to Movement President Dr. Roberto Arosemena, the resignation from their respective posts of the "Endara - Arias - Ford triumvirate" should take place immediately. He stated the grounds for the resignations are based on four political and moral aspects.

In the opinion of this political leader, the president and his two vice presidents must resign because of their manifest ineptness, repeated violations of the Constitution, the illegitimate way in which they took power in December 1989, and their disregard for the rights of the Panamanian people.

"We are also condemning the irresponsibility of the attorney general, the solicitor general, and the president of the National Bar Association for making false legal claims that the president cannot be held liable for his actions. We are also decrying the Legislative Assembly's negligence in processing our criminal suit against President Endara," Arosemena stated.

To conclude, Arosemena indicated the "triumvirate is holding on to the power that belongs to the people and is blocking democratization by not resigning." He added the "Supreme Court of Justice and the attorney general are gradually losing their moral authority to administer justice, something Panamanian society really needs."

Government, PRD Pack Called 'Immoral'

PA0409172992 Panama City EL SIGLO in Spanish 4 Sep 92 p 65

[Report by Rafael Rodriguez]

[Text] "The PRD represents the most nefarious and rotten side of Panamanian politics. It was a permanent servile party of the narco-military dictatorship and vehicle for the violations, abuses, crimes, and theft of public funds committed during the dictatorship years." This was stated in a communique issued by the Civic Renovation Party in which it referred to a political pact between the government and the Democratic Revolutionary Party [PRD].

In a six-point communique published on 3 September, Tomas Herrera, president of that political organization (in formation) said that the Legislative Assembly held elections on 1 September, 1992 for a new Board of Directors during which Legislators Lucas Zarak of the Arnulfista Party, Roberto Garibaldo of the Nationalist Liberal Republican Movement, and Alberto Cigarruista of the Authentic Liberal Party were elected.

The document noted that the pact between the government and the PRD is immoral and constitutes an affront against the Panamanian people. It added that this pact will be a setback, because it will not be free. The price to be paid will be pardon for all those collaborators of the narco-dictatorial regime who are in jail, are fugitives, or facing criminal charges for theft, embezzlement of public funds, torture, persecution, murder, and illegal enrichment, by placing those despicable crimes under the category of political crimes.

Center Against Drug Trafficking Opened

PA1209143092 Panama City LA PRENSA in Spanish 11 Sep 92 p 4a

[Report by Rita Spadafora]

[Text] On 10 September, Government and Justice Minister Juan Chevalier inaugurated Panama's Center for Joint Information and Coordination [Centro para la Informacion y Coordinacion Conjunta, CICC]. The CICC operates a computer network with national and international data that will make the struggle against drug trafficking easier.

Chevalier told important police, judicial, diplomatic, and security officials that "drug trafficking is a crime organized internationally, one that has no borders and that must be fought with the best methods and technology."

He stressed that the creation of this center "is a wish that has been cherished for a long time" not only by the Panamanian Government but by the governments of the United States and those of other Latin American countries in their struggle against drug trafficking.

The CICC will gather information on drug trafficking and money laundering crimes, Chevalier reported.

He explained that "in this center, information will be received, processed, and distributed to other national and international agencies."

This center will help in investigations being conducted at the Government and Justice Ministry, the National Police, the Judicial Technical Police (PTJ), the PTJ's Special Narcotics Force, the Maritime and Air Services, and the Port Authority, among other agencies.

Panama's CICC will eventually become linked to other similar centers in the region and the United States, thus further reinforcing our hemisphere's battle against drug trafficking.

President Guillermo Endara formally established the CICC through an executive decree issued in July. The U.S. Government guaranteed its financial support to establish it.

The officials who attended the CICC inauguration included Oswaldo Fernandez, Jaime Abad, Cristobal Fundora, Rogelio Cruz, and Rodrigo Arosemena, as well as U.S. Ambassador Deane Hinton and other Panamanian officials and U.S. diplomats.

Argentina

Contact With NATO Sought To Object Subsidies

PY1109152892 Buenos Aires LA PRENSA in Spanish 10 Sep 92 Section 2 p 10

[Text] Foreign Minister Guido di Tella has said that Argentina will seek rapprochement with NATO to explain to that strategic Western alliance its complaints about the agricultural subsidies implemented by the U.S. Government.

Di Tella said that, following the end of the "Cold War," NATO is studying an "overall reorganization" of its functions. He added that rapprochement with NATO was started some time back by Naval Chief Admiral Jorge Ferrer.

Di Tella will deliver a lecture at NATO Headquarters in Belgium on 19 September as part of a tour covering New York (United Nations), France, Italy, and Germany. President Carlos Menem will join Di Tella later in the tour.

Di Tella believes that the U.S. protectionist policy "hurts the international trade system." He added that the Argentine strategy consists of "obstructing" any type of grain trade transaction that involves subsidies.

He praised the "exemplary" attitude of the Brazilian Government which within 14 hours decided not to buy subsidized grains and established that it would charge compensatory taxes to any private company that purchased agricultural products under those conditions.

Di Tella made these comments during a luncheon at the Argentine Construction Association in the presence of businessmen of the association.

Asked about the alleged execution of Argentine soldiers during the Malvinas war, Di Tella said that both Argentina and Great Britain are continuing an investigation into the "credibility" of the report.

He also said that the decision to grant political asylum to Cuban citizens is positive. He clarified, however, that the decision does not involve many people. He added that the people who requested the asylum "decided to stay in a country of peace and freedom."

Di Tella summarized the bilateral projects under study with the countries of the Mercosur [Common Market of the South]. He asserted that with the stability obtained through the government economic plan, "we became a trustworthy nation" in the international community.

Menem Reaffirms Cavallo, Policy Support

PY1209195892 Buenos Aires TELAM in Spanish 1240 GMT 11 Sep 92

[Excerpts] Buenos Aires, 11 Sep (TELAM)—Today President Carlos Menem asserted that "there is not even the slightest possibility" of his modifying his economic policy and affirmed that his partnership with Cavallo "is indissoluble."

He completely denied reports purporting to echo his remarks to the contrary and stated that "the evil tongue of those who intentionally cited my statements out of context has caused all this fuss in our community" and went on to say that there are some people who seem "to enjoy or gloat over a situation like this one."

Menem pointed out that at the Adeba [Association of Argentine Banks] meeting he had said that "the Argentine economic model is irreversible. There is no going back. There might be some cosmetic changes, or even the actors may change, but we have embarked upon a course of action and there is no going back."

Speaking to Radio America, Menem said: "In no way did I say that members of the economic team could be changed." After noting that businessmen, bankers, and politicians who attended the Adeba meeting "can testify" to his statements, Menem said that "it never crossed anybody's mind to think that I was alluding to a specific minister when I said that actors may change."

He pointed out that "there comes a time when every government, whether a democratic one or a dictatorship, deems it necessary to remove government officials." He noted, however, that "when a specific government official is going to be removed, he has to be mentioned by name."

Menem told Radio America that American and Belgian entrepreneurs had assured him that "the fact that the newspapers twisted everything he said has had absolutely no effect on their views or intentions of investing in Argentina."

Menem described reports that Cavallo had tendered his resignation as "stupid" and blamed such reports on "the feverish imagination of some journalists." He added: "Cavallo has never submitted his resignation, and it has never occurred to me to ask him to submit his resignation. Besides, Cavallo is committed completely to the mission I entrusted to him and his team." [passage omitted]

Menem stated that in order to avert distortion of the facts, he gave instructions that "every government official who wishes to make statements pertaining to the various responsibilities of his post must summon the press to his office." He added that this "is not tantamount to curtailing freedom of the press, but just to put order to things so that information might be true to facts."

Asked about the judiciary, Menem commented that former Justice Minister Leon Arslanian "did not shut the door with a bang when he left the ministry. He left on good terms because he believed that he had fulfilled a duty and therefore it was time he moved on." Menem stated that "to govern a country which is undergoing

such impressive changes makes you lose face, so in order to stave off the possibility of the president's losing face, as is the case in point, ministers come in handy as useful buffers."

Menem underscored the fact that in order to appoint judges, "the government will first consider the list of judges submitted by the Council for Magistrates and later, we will implement the system used by the British," whereby the judges themselves, together with the bar associations, are the ones who elect the new judges.

Menem stated that "10 out of the 13 candidates who will be appointed to the Court of Cassation, will be appointed following the proposal of the Council for Magistrates. I took the liberty of appointing three." He added that when he had to decide on the appointments, former Minister Arslanian's "suggestions" based on the list submitted by the Council for Magistrates were uppermost in his mind because the Council is "a most qualified body to establish whether the lawyers who will be appointed as judges are capable and competent enough to fulfill their duties."

He added that "as far as the other courts are concerned, at least 95 percent of the appointments we will be guided by the list submitted by the Council. I think that this is the most reliable safeguard that I can give you. The other ones are just mere conjecture, political and election-oriented guesses." [passage omitted]

Menem also gave his personal view on the case involving Deputy Luis Saadi [Justicialist Party]. He stated that Saadi should be removed from the Chamber of Deputies as a result of the bribery accusations he flung at his Chamber colleagues. Saadi accused them of taking a bribe of $8 million to enact the law privatizing YPF [government oil deposits], but then he went back on his word. "One should take all this with a grain of salt," Menem said. [passage omitted]

Government Criticizes Press Association Report

PY1309223192 Buenos Aires BUENOS AIRES HERALD in English 13 Sep 92 pp 1, 4

[Text] (NA-DYN)—The government and the Justicialist Party leadership blasted yesterday a document issued on Friday night [11 September] by the Press Owners's Association (ADEPA) at the end of their annual meeting which took place last week in Cordoba.

Media Secretary Raul Burzaco distributed a communique describing ADEPA's statement that the last year had been "the saddest and most bitter" for the press since the return of democracy in 1983 as "surprising and not true," while a Justicialist press release states that "on the contrary, there was never so much press freedom as in the period which started in 1989."

The statement read by Burzaco says that President Carlos Menem "allowed press companies to participate in radio and television media, privatized several media companies, opposed the so-called right to reply and sent Congress a bill repealing the criminal offence on contempt of the president."

The ADEPA document, written by the association's Freedom of the Press Commission and unanimously adopted by its general assembly, admits that "freedom of the press has continued in the country" and expresses its hope that "the constitutional system that got on its feet in 1983 will continue getting strong."

The government paper further says that "it is unfair to say that this is the worst year for the press since 1983 when in 1985 the government (of Radical Raul Alfonsin) arrested journalists by decree, intervened in the affairs of several newspapers and left many press workers without a job, all for political reasons."

The ADEPA document criticized some of Menem's acts such as making government decisions by decree thus jumping over Congress and placing a province under federal control in disregard of the Constitution.

The association also recalled "the suspicious attacks on reports that were never investigated" and "the repeated public threats by President Menem that the notorious laws of the dictatorship" banning press companies from owning shares in radio and television stations would be reinstated.

ADEPA also expressed its concern over the decisions (later lifted) that threatened freedom of the press in Santiago del Estero, Santa Fe and Rio Negro. The two first provinces are governed by the Justicialist Party, the latter by the Radicals.

Justicialist, Radical Elected National Senators

PY1109210692 Buenos Aires BUENOS AIRES HERALD in English 11 Sep 92 p 11

[From the "Argentina in Brief" column]

[Text] (NA-DYN)—The Jujuy legislature yesterday elected Justicialist Venancio Cabana and Radical Humberto Salum as new national senators for that province replacing the late Carlos Snopek and Justicialist Alfredo Benitez, whose term concludes this year. The national government had expected two Peronist senators, with which they could have two thirds of the Upper House as from next year, given that the Justicialist Party has 26 of the 48 legislature members. However, 22 of the 26 Justicialist legislators failed to attend yesterday's session.

Bolivia

New Strategy To End Landlocked Situation Noted

PY1109221192 Madrid EFE in Spanish 1718 GMT 11 Sep 92

[Text] La Paz, 11 Sep (EFE)—Bolivian Foreign Affairs Minister Ronald MacLean announced that Bolivia is planning "to persuade and not force" Chile by resorting

to a strategy based on trade accords intended to meet its "final objective"—a sovereign outlet to the Pacific coast.

President Jaime Paz Zamora's administration is assessing Bolivia's approach to Chile in the past three years, despite the fact that the two nations severed diplomatic relations in 1962. Intense negotiations were carried out between 1975 and 1978 to end Bolivia's landlocked situation.

The evaluation will allow Bolivia to formulate a new strategy in its relations with Chile, which might be announced by President Paz Zamora in his UN Assembly speech on 23 September.

MacLean told the press: "We are planning to persuade and not force Chile until the final objective is reached." He said: "The solution of the maritime problem is the primary objective of Bolivia's political strategy with Chile."

According to the government's new formula, "trade can help end Bolivia's landlocked situation," and to this end it is necessary "to overcome the lack of communication."

In light of any possible concern by the Peruvian Government over the new maritime strategy, MacLean said: "We believe that any final solution involves a tripartite accord between Bolivia, Peru, and Chile."

Bolivia lost its 120,000 square kms of Pacific coast during the war with Chile and Peru. Europe's interest in controlling the rich reserves of guano and saltpeter in Bolivia and Peru was the background for the war.

Chief of Staff Guarantees Democratic Process

PY1209024992 La Paz Television Nacional Network in Spanish 0030 GMT 12 Sep 92

[Report by David Pumarino from Tarija]

[Text] Joint Chief of Staff General Oscar Vargas Lorenzetti has stated that Bolivian military men guarantee the democratic institutions despite the fact that the country has been shocked by charges of corruption and political scandals. Vargas made a routine inspection visit to the garrison in Tarija.

[Begin recording] The Armed Forces are aware of their institutional role with respect to the observance of the Constitution. We have said time and again that we are contributing to strengthening and improving the state of law. This is a task of the Armed Forces and all Bolivian institutions and citizens. This is the best way to live. Corruption has to be eradicated. All of us have the responsibility to locate and eliminate corruption from our institutions and procedures, especially when the state assigns to us the handling of fiscal resources. We should act very carefully and try to administer them appropriately.

Corruption exists everywhere, and Bolivia is not an exception. Institutions are somehow subject to corruption, and we are compelled to avoid it. Consequently, any attempt to disrupt the democratic process should be definitively ruled out. [end recording]

Shining Path Presence Reported in Chapare

PY1109140092 La Paz Radio Fides Network in Spanish 1100 GMT 11 Sep 92

[Text] Peasants in tropical Chapare have told the Fides correspondent in Cochabamba that a Shining Path guerrilla group is in that large area. The guerrillas are believed to be near Julo Julo, on the banks of Ichilo River, which marks the border between Santa Cruz and Cochabamba Departments.

The guerrillas, 20 to 40 individuals, have reportedly been in the area for some 40 days. The peasants said that the guerrillas regularly go to the Ivirganzama area to obtain food.

According to our sources, the guerrillas—who have not yet contacted any coca growers' leaders—are recruiting, in an effort to turn Chapare into an area like Peru's Alto Hualiaga.

We reiterate. According to our sources, the presence of the Shining Path has been confirmed in Bolivia, in Julo Julo, on the banks of Ichilo River, in tropical Chapare.

Brazil

Social Action Minister Fiuza Replaces Bornhausen

PY1109141492 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Sep 92

[Text] Social Action Minister Ricardo Fiuza has been designated new government secretary of the Presidency, replacing Jorge Bornhausen. Fiuza will hold both ministerial posts.

The social action minister is now the new political coordinator of the government. This report was released by the Presidential Press Secretariat last night at Planalto Palace. Fiuza will replace Jorge Bornhausen who resigned yesterday.

Fiuza will jointly hold the two ministerial posts: the Social Action Ministry and the Secretariat of Government. At 1000 this morning, Fiuza will meet with political ministers. They are Education Minister Eraldo Tinoco, Transport Minister Afonso Camargo, Social Welfare Minister Reinhold Stephanes, and Labor Minister Joao Mellao. Leaders of the parties that support the government in Congress also will participate in the meeting.

Presidential Press Secretary Etevaldo Dias referred to the telephone tapping detected in the house of Vice

President Itamar Franco in Brasilia, and at the hotel where the vice president usually stays in Rio de Janeiro.

Dias lamented this fact and said that the tapping of the vice president's telephone is a matter for the police.

Economy, Central Bank Officials Willing To Stay

PY1109221992 Rio de Janeiro O GLOBO in Portuguese 11 Sep 92 p 7

[Text] Brasilia—Whether or not the Chamber of Deputies decides to impeach President Fernando Collor, Economy Minister Marcilio Marques Moreira and his entire team will offer their resignations. Marques Moreira and Central Bank President Francisco Gros already have made it clear, however, that they only will leave the government if Vice President Itamar Franco, in charge of the Presidency, decides not to use their services.

A Marques Moreira adviser said: We will do everything to prevent the worsening of the country's situation. Franco told one of the members of the "Republic of Senators"—the group of senators who are discussing the government transition with the vice president—that he may keep Marques Moreira to prevent shaking up the economy. Franco also disclosed that great pressure is being exerted by the group headed by former President Jose Sarney to install businessman Paulo Cunha to head the Economy Ministry if the president is impeached.

Francisco Gros and his top aides already have decided to stay despite their uncomfortable position as a result of the comments made by Vice President Franco against the current economic policy. If Gros leaves before a replacement is appointed, this situation would agitate the financial market because the Central Bank presidency would be vacant. The nomination of a new Central Bank president must be submitted to the Senate.

Planning Secretary Pedro Parente and Economic Policy Secretary Roberto Macedo have been identified within the team as the greatest defenders of immediate resignation with a 10-day deadline for appointing replacements. At the other extreme, two [number as published] who would follow Marques Moreira's decision are Economy Secretary Dorothea Werneck, Finance Secretary Luis Fernando Wellisch, and Executive Secretary Luis Antonio Goncalves.

Franco Suspects Phone Tapping Involves Collor

PY1109180492 Madrid EFE in Spanish 1557 GMT 11 Sep 92

[Text] Rio de Janeiro, 11 Sep (EFE)— FOLHA DE SAO PAULO today states that Brazilian Vice President Itamar Franco suspects President Fernando Collor personally ordered the tapping of his phones in Brasilia and Rio de Janeiro.

The daily states that the vice president has told his advisers that he believes the order to spy on him came from Collor or from his closest assistants.

The suspicion of the vice president, who this morning hosted a news conference to express his indignation, is based on the fact that the house from which his phone calls were intercepted, next door to his house, is empty but is administered by the Presidency General Secretariat.

Franco, who according to the Constitution will be the new president if Congress decides to dismiss Collor, added that he knew that his phone conversations had been listened to for more than a month.

Franco said that this explains why a secret meeting that he was to have held with Aeronautics Minister Socrates Monteiro became known.

FOLHA DE SAO PAULO says that on another occasion, Franco had to discontinue a phone conversation with a friend, a politician, because he heard suspicious noises on the line.

Vice presidential advisers have said that if Franco's phone in Brasilia had not been tapped, the spies would not have learned so rapidly that Franco was to have stayed at the exclusive Gloria Hotel in Rio de Janeiro.

After it was reported that the telephones in Franco's house and in the hotel at which he stayed in Rio de Janeiro a week ago were tapped, the police discovered other devices tapping Brasilia mass media phones.

After being advised of the tapping by his own military advisers, Franco demanded an investigation from General Agenor Homem de Carvalho, the chief of the Military Household of the Presidency.

At the beginning of the government crisis, which was prompted by corruption charges two months ago, Franco reported that government officials were looking into his income statements in an attempt to impair his image before the public.

Court Extension To Delay 'Inevitable Fall'

PY1109193092 Madrid EFE in Spanish 1648 GMT 11 Sep 92

[By Zoilo G. Martinez de la Vega]

[Text] Rio de Janeiro, 11 Sep (EFE)—Commentators have said that the decision by Brazil's Federal Supreme Court [STF] to extend to 10 the number of sessions in which President Collor will defend himself will only serve to delay his inevitable fall.

The STF decision, which was issued on 10 September, will extend Collor's period for defense before the Chamber of Deputies to 22 September. The Chamber of

Deputies must vote before 3 October on whether to authorize the Senate to try the president on malfeasance charges.

The decision caused euphoria at Planalto Palace, strengthening the faint hope that the STF will again favor the president by ordering the secret vote system at the Chamber of Deputies' session.

Senator Fernando Henrique Cardoso has said that it is deplorable that, rather than giving convincing arguments against the charges pressed against him, Collor should defend himself with a secret vote delayed until after the municipal elections of 3 October.

In addition to gaining time, this will make it easier for the government to negotiate the 168 votes essential to prevent impeachment because the deputies would no longer be under social pressure or bound to electoral promises.

This possibility prompted Deputy and Jurist Nelson Jobim to say that "the oxygen that the STF gave yesterday to President Collor could be poison for the Brazilian people."

Forecasts, however, depict things differently. The majority of analysts believe that before 3 October, the Chamber of Deputies will publicly approve the impeachment of Collor, who will then automatically leave office in 180 days, without hope of return.

Carlos Castello Branco, an influential columnist, today said in "JORNAL DO BRASIL" that for the majority of politicians, "Collor belongs to the past."

"Political forces," Castello said, "are working with the certainty that Collor will not stay in power; leaders are operating on the assumption that Vice President Itamar Franco will take over, and are formulating the guidelines for a broad consensus to make a new government feasible."

According to Castello, even "recalcitrant" Governor Leonel Brizola is advising Itamar Franco to create "a government of everyone," while Pernambuco Governor Joaquim Francisco has proposed an inter-party cabinet with a 15-item program that has already been designed.

Observers assure that the imminent "surrender" of Bahia Governor Antonio Carlos Magalhaes, which FOLHA DE SAO PAULO announced today, should signal the fall of this government.

Commentators have said that Magalhaes, the president's only major national supporter, influences four ministers and the PFL [Liberal Front Party] votes in Congress, in which his son is the PFL spokesman in the Chamber of Deputies.

Politicians and observers believe that Governor Magalhaes is reserving for himself the historic mission of convincing Collor to sign his resignation letter, sparing the country from 180 days of an interim government.

If Collor resigns, the malfeasance charges will be automatically dropped, and he will keep the salary and the privileges of a former president, as well as his political rights, which he will lose for eight years if he is found guilty.

Police Identify Collor as Head of PC Scheme

PY1209180792 Rio de Janeiro O GLOBO in Portuguese 11 Sep 92 p 5

[Article by Jose Paulo Tupynamba]

[Excerpt] Brasilia—A diagram being drafted by the Federal Police [PF] identifies President Fernando Collor as the head of the influence peddling scheme set up by Paulo Cesar Farias [PC]. The diagram is based on computer data seized from EPC Construction and Investment Enteprise, one of PC's companies headquartered in Sao Paulo.

Through this source, a new name is being investigated: Ruy Amado Moura, who was Industry and Trade Ministry adviser in 1984. Moura was identified by the PF as the person responsible for administering the scheme.

In the diagram, Collor is the head of the entire scheme, followed by PC. Under PC there are two subdivisions: The administrative branch—headed by Moura—and another branch—the head of which has not been identified—that controls the finances of the scheme. Under these two branches are all the figureheads and commanders who acted in the funds' intermediary offices organized by PC nationwide.

In some cases, these offices functioned inside the government offices, as shown by data obtained from the computer.

A PF member who is drafting the diagram has revealed that 90 percent of the data saved in the computer has been retrieved, although the program had been erased partially before the computer was seized by the Federal Revenue Office. Some 70 percent of the data retrieved from the computer has been decoded. Moura's name appears in the program as the person responsible for administering the entire scheme. Moura—a former employee of the Cotia Trading Company—often was seen at the Brasilia ministries offices.

A PF inspector said: He is PC's PC. He is the man who carries the briefcase and commands collection of the tips. [passage omitted]

Impeachment Voting Agenda in Chamber of Deputies

PY1209022092 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 11 Sep 92

[Text] The opposition is mobilizing and was able to hold the third of the 10 sessions in the Chamber of Deputies in which President Fernando Collor is allowed to present his defense against the impeachment petition.

In the countdown, this was the third session. The order among impeachment supporters is to maintain at least 51 deputies on the Chamber floor to guarantee a session every day. This is the impeachment calendar in the Chamber of Deputies: On 22 September the deadline for President Collor's defense ends; on the following day the Impeachment Committee coordinator will present a judgment on whether it favors the process or not; on 24 September the committee will vote on the judgment, which is to be published the following day. This is when the debate on the Chamber floor begins, and will continue until 29 September. The final vote will be held on 30 September. In order for the impeachment petition to be approved, it will be necessary to have the votes of two-thirds of the deputies. But this calendar is subject to political maneuvering.

The government leaders are working to extend the terms. Impeachment supporters are getting ready for a real exercise. They want to shorten the calendar.

[Begin recording] [Deputy Jose Genoino] We can reduce the term for voting; instead of 30 September it can be 28 September. If it is on 28 September, there is a risk that there will not be a quorum and we cannot run that risk. That is why it would be better on 29 September.

[Deputy Odacir Soares] I believe that any calendar only can be established after the judgment is made on the injunction's merit, and this will be made late next week. [end recording]

If the process depends on the Chamber of Deputies president, a speedy process is guaranteed. Today he submitted to the Federal Supreme Court the explanations on the procedural norms he established for processing the impeachment petition in the Chamber. The explanations are the juridical reasons related to the injunction request submitted by the government. The main question is how the voting will be conducted, whether it will be open or secret.

[Begin Deputy Ibsen Pinheiro recording] The voting system does not create any conflict between the 1950 law and the 1988 Constitution; this is why I considered this system applicable, and I hope the Supreme Court will support my reasons. [end recording]

Church, Military Fear 'Wave of Disobedience'

PY1209031792 Madrid EFE in Spanish
1618 GMT 11 Sep 92

[By Rafael Candanedo]

[Text] Brasilia, 11 Sep (EFE)—Large segments of the church, the Armed Forces, and opposition political parties in Brazil fear that the possibility that President Fernando Collor may not be tried might unleash a wave of disobedience and social unrest.

Due to Collor's determination to hold on to power, the fear of instability is growing and military commanders have started to receive sinister invitations to intervene in the process, like in the 1964 coup.

A military spokesman told EFE that the Armed Forces are concerned about possible street riots, however, they are confident that Congress and the Federal Supreme Court will solve the serious political crisis according to the Constitution.

The spokesman added: "We obviously are closely watching the developments, however, we have confidence in the good sense and maturity shown by the institutions throughout this crisis."

The three military ministers, General Carlos Tinoco (Army), Mario Cesar Flores (Navy), and Socrates Monteiro (Air Force), have endorsed the so-called "governability pact," signed 25 August by all cabinet members.

The resignation on 10 September of political coordinator Minister Jorge Bornhausen was isolated, and his colleagues will remain loyal to their commitment to stay in their posts until the end of the impeachment procedure, with or without Collor in power.

According to political sources, despite the strong social pressure for Collor to leave his post, the military commanders are not willing to ask him to resign, but they would not discourage political allies from taking that initiative.

Minimal stability is guaranteed by the permanence of Economy "Superminister" Marcilio Marques Moreira, who enjoys almost unanimous support, including that of Collor, military men, private businessmen, the legislative branch, and the opposition.

Marques Moreira will travel to Washington next week, accompanied by two congressional delegates, to attend the IMF annual meeting.

Two of the five Brazilian cardinals, Aloisio Lorscheider and Paulo Evaristo Arns, have voiced their fear that violent demonstrations may occur if Collor is not tried by either Congress or the Federal Supreme Court on charges of malfeasance in office and passive corruption.

Sao Paulo Governor Luiz Fleury and Sao Paulo Mayor Luiza Erundina de Souza made similar comments.

Fleury, who belongs to the Brazilian Democratic Movement Party (PMDB), and de Souza, of the Workers Party (PT), are organizing a demonstration under the slogan "Collor out," which seeks to rally 1 million people in Anhangabau Valley on 12 September.

Fleury said: "The combination of the crisis with the peoples' frustration and the lack of governability conditions may lead to chaos, because we no longer can stand this president who lacks moral conditions to govern."

De Souza, a socialist mayor who governs the most populated city in South America, has stated: "Violent demonstrations have not taken place yet because there is

still a climate of confidence in the institutions, but 25 percent inflation per month and the millions of unemployed are going to generate a very serious problem."

Sao Paulo Archbishop Cardinal Arns has said that although the demonstrations against Collor so far have been peaceful and spontaneous, they may change radically once it becomes "difficult to control the mobs of hungry people in the cities who feel their expectations have been deceived."

Lorscheider demanded Collor's resignation in order to spare the country more anguish and urged Chamber of Deputies members to "vote against corruption if they do not want to become accomplices."

Justice Ministry sources told EFE that the authorities are aware of the strong social pressure in favor of honesty, however, there still are no signs that an organized group is staging violent actions or is engaged in civil disobedience.

An official stated: "We are praying that the institutions, which have proven to be mature enough, will solve the crisis."

In the next few weeks Collor will be tried—by Congress for malfeasance in office and by the Federal Supreme Court for passive corruption.

Collor Prepares 'Bombardment' of Opponents

PY1409021792 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Sep 92 p 5

[Excerpt] Brasilia—On the night of 8 September, President Fernando Collor liberated his shock battalion armed for war to unleash, if necessary, a bombardment on his adversaries that will include the release of documents and details on each one's personal life. "No one will be spared," deputies and close advisers warned after beginning at the end of the weekend to gather checks, bank reports, notes on deposits, confidential reports on electoral campaigns, fiscal invoices, tax reports, and all types of documents to use against the president's adversaries.

Preferred targets such as PMDB [Brazilian Democratic Movement Party] President Orestes Quercia, PT [Workers Party] President Luiz Inacio Lula da Silva, PSDB [Brazilian Social Democracy Party] President Tasso Jereissati, and Senators Amir Lando (PMDB-Roraima) and Jackson Pereira (PSDB-Ceara) will be declared adversaries. The bombardment may even reach Rio de Janeiro Governor Leonel Brizola (PDT) [Democratic Workers Party], with whom Planalto Palace has been dissatisfied lately. The idea is to use the same weapons used by the Congressional Investigating Committee [CPI] to investigate Alagoas entrepreneur Paulo Cesar Farias—which might even include the creation of more CPI's—to report on Brazilian society's enemies based on need. [passage omitted]

Guimaraes Scores 'Despicable Bargaining of Votes'

PY1309031392 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Sep 92

[Text] Deputy Ulysses Guimaraes stated today that the legislative branch could be impeached by the Brazilian people because of congressmen who allegedly are benefiting from the release of public funds in exchange for blocking President Collor's impeachment. A multiparty committee will be established next week to study this issue.

[Begin recording] [reporter Pedro Chagas Neto] Deputy Ulysses Guimaraes once again criticized what he calls the federal government's shameful bargaining to prevent impeachment. Deputy Ulysses, however, did not criticize the executive branch alone, he believes that the oversight committee which the Chamber of Deputies will establish next week must go propose annulling the mandate of those legislators who benefit from public funds to block the impeachment. According to Guimaraes, the very independence of the legislative branch is at stake.

[Guimaraes] If the Chamber of Deputies is unable to stop the shameful, dishonest, despicable bargaining of votes for funds to build dams, bridges, or God knows what, that prevents the deputies from voting independently according to their conscience; the independence of the legislative branch does not exist. If the legislative branch does not have independence to vote, then it is worthless and it is all over.

[Deputy Humberto Souto, government leader in the Chamber of Deputies] This is yet another opposition maneuver to force Congress' hand and grab power. As far as the oversight committee is concerned, I believe that we are all in favor. Congress will accomplish something very important if it is able to establish this kind of committee to help the administration oversee the management and use of public funds.[end recording]

Inquiry Results Sent to Federal Supreme Court

PY1409030792 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Sep 92 p 5

[Text] Federal Judge Mario Cesar Ribeiro yesterday sent the results of the Federal Police investigation on Collorgate to the STF (Federal Supreme Court). The judge—like Police Inspector Paulo Lacerda and prosecutors Odim Ferreira and Italo Fioravante before him—found indications that President Collor committed crimes.

The investigation results were sent to the STF because the tribunal is authorized to hear cases involving common crimes committed by the president. Judge Ribeiro wants the STF to order the preventive detention of entrepreneur Paulo Cesar Farias [PC]; PC's driver, Roberto Carlos Maciel de Barros; and former presidential secretary Claudio Vieira. These individuals have been accused by the PF (Federal Police) of obtaining testimony through coercion and destroying evidence.

STF President Sydney Sanches yesterday designated Justice Ilmar Galvao to coordinate the request for preventive imprisonment and the inquiry. In the note to the STF, Judge Ribeiro makes an account of the evidence indicating Collor's involvement with what he calls the "mafia headed by Mr. Paulo Cesar Cavalcanti Farias," or PC.

The judge agrees with the PF opinion—on which the STF will rule—that the purchase of the president's Fiat Elba car through an administrative check signed by "ghost" Jose Carlos Bonfim must be investigated further. The STF also will decide on the PF request to authorize an investigation of the telephone accounts of the president's cabinet, the presidential public relations office, and the offices of former Economy Minister Zelia Cardoso de Mello and former Infrastructure Ministers Eduardo Teixeira and Joao Santana.

Attorney General Prepared for Collor Trial

PY1309223392 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Sep 92 Political Section p 8

[Text] Attorney General Aristides Junqueira has finished preparing the documents needed to press charges against President Fernando Collor for his involvement in Paulo Cesar [PC] Farias' scheme. Junqueira worked with information and evidence uncovered by the Federal Police investigation presided over by Police Inspector Paulo Lacerda and with materials produced by the CPI [Congressional Investigating Committee] on PC Farias.

The report will be very detailed. It will contain an account of the president's links to Paulo Cesar Farias, Claudio Vieira, Ana Acioli, and Brasil-Jet driver Roberto Carlos Maciel. The attorney general will present a long chapter on PC Farias that analyzes the scheme perpetrated by Farias for influence peddling at various government levels, particularly at the Bank of Brazil and the Federal Savings Bank.

Junqueira prepared a set of 30 questions that President Collor will have to answer. The president also will be questioned on bank accounts opened in the name of his secretary, Ana Acioli, for paying his personal bills with money deposited by Brasil-Jet. Ana Acioli told Federal Police she was responsible for paying the bills of Casa da Dinda [Collor's private residence in Brasilia], the president's obligations to former wife Lilibeth Monteiro Carvalho, and the expenses of Rosane Collor; the president's mother, Leda Collor; and his sister Ana Luisa.

The president also will have to explain the purchase in his name of a Fiat Elba car paid for with a check issued by ghost Jose Carlos Bonfim and payments made to landscape architect Jose Roberto Nehring, owner of Brasil's Garden, for remodeling Casa da Dinda's gardens for a total of $2.5 million. Nehring testified that Farias' secretary, Rosinete Melanias, paid him with checks signed by ghosts Jurandir Castro Menezes, Flavio Mauricio Ramos, Manuel Dantas Araujo, and Jose Carlos Bonfim.

Federal attorneys Italo Fioravanti and Odim Ferreira, who followed the Federal Police investigation and the testimony of people linked to the PC scheme, are working with the attorney general to prepare and support the attorney general's report and list of questions.

One prosecutor said that Paulo Lacerda will not seek additional evidence to close his inquiry. "There already is enough evidence to press charges against the president and other individuals," the prosecutor said.

The same source said that if Aristides Junqueira's report is admitted, the Supreme Court will ask Congress for authorization to try the president of the Republic.

"Considering the concrete facts and evidence produced by the police it will be difficult not to admit the report," the prosecutor said. Junqueira probably will present his report against President Collor, Paulo Cesar Farias, Claudio Vieira, and Ana Acioli next week. The set of questions is ready, and the attorney general is putting the final touches on the report.

Police Inspector Paulo Lacerda thinks the Supreme Court will issue a decision in a few more days on the request for preventive imprisonment against PC Farias, Claudio Vieira, and driver Roberto Carlos Maciel. Federal Judge Mario Cesar Ribeiro heard the petition made by prosecutors Fioravanti and Ferreira but decided the petition was under the Supreme Court's jurisdiction.

If any of the justices needs any information from the Attorney General's Office, he will receive a copy of the attorney general's report against the president clearing up all possible doubts.

Collor 'Will Resort' to Court When Necessary

PY1309025492 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 12 Sep 92

[Text] Presidential Spokesman Etevaldo Dias stated today that President Collor will resort to the Federal Supreme Court, STF, whenever he feels that his defense against the impeachment request is being jeopardized. He also said that the president was outraged when he heard about the tapping of Vice ?President Itamar Franco's telephones.

[Begin recording] [reporter Beatriz Thielmann in Brasilia] At the gate of the presidential residence, Casa da Dinda, presidential spokesman Etevaldo Dias stated that telephone tapping is a police affair. He added that by 14 September the experts will have identified the person who tapped the phones of Vice President Itamar Franco's residence.

Currently, the government is mainly concerned about the open vote system that Chamber of Deputies President Ibsen Pinheiro established for the impeachment. Etevaldo Dias said that President Collor is optimistic and he trusts that the STF will rule in his favor.

[Dias] The president is sure that he has the votes necessary to defeat the request for impeachment. He also intends to resort to the STF whenever he feels that justice is not being done, as was the case with Ibsen Pinheiro's decision to reduce the president's chances to defend himself.

[Deputy Nelson Jobim, Brazilian Democratic Movement Party-Rio Grande do Sul State] The administration is bound to resort to every legal option, but I believe that everything will be wrapped up by 30 September because next week the STF will decide on the extent of its jurisdiction, and the writs of injunctions that have been submitted and, I am sure, will continue to be submitted during the process both in the Chamber of Deputies and the Senate show that it is unsuitable for the STF to get involved in the Chamber of Deputies' internal affairs. [end recording]

Process Related to Impeachment Reviewed

PY1209190392 Rio de Janeiro O GLOBO in Portuguese 11 Sep 92 p 3

[Interview with Federal Supreme Court, STF, President Sydney Sanches—place and date not given]

[Text] Brasilia—STF [Federal Supreme Court] President Sydney Sanches has said that the STF interfered in the process requesting President Collor's impeachment simply to prevent the disqualifying of the process for having overlooked the time period for Collor's defense. He said: We could not run the risk of seeing the entire process disqualified to save five days.

[O GLOBO] What is the pragmatic consequence of the decision?

[Sanches] The STF accepted the second alternative offered by the writ for injunction. We were concerned over the length of the time period for Collor's defense. I asked Justice [Paulo] Brossard how many days the defense will win through this new 10-session period. I believe it will be approximately 15 days. The controversial Law 1079 on proceedings establishes the period at 20 days.

[O GLOBO] The decision was questioned by politicians because, in addition to pressing charges against the president for common crimes, the impeachment process really will be decided by the STF.

[Sanches] The STF has control over the legality and constitutionality of all processes, but in this specific case, we only hear the formal charges and never analyze their merit.

[O GLOBO] Several people have been arguing that there is no reason to allow for a defense during the stage in which the court is still deciding whether the process is applicable. There should be a defense only during the trial itself.

[Sanches] Article 217 of the Chamber of Deputies regulations ensures the right to defense for a period of 10 sessions when referring to common crime proceedings filed before the STF. Therefore, there is the right to defense during this stage as well, and this right is ensured in the regulations drafted by the deputies.

[O GLOBO] Is it true that the president's lawyers can present evidence, request that other witnesses be heard, and request discovery proceedings to obstruct the vote?

[Sanches] A judge cannot determine what will happen, although this was an excellent question. It must be made clear, however, that in any process the defendant must be heard.

Chile

Activities Mark 1973 Coup Anniversary

PY1209132392

[Editorial Report] Santiago Radio Chilena in Spanish on 11 September dedicates most of its regular 1700 GMT newscast to reports on the celebrations held throughout Chile to commemorate the 1973 coup headed by Army Commander General Augusto Pinochet. The newscast begins with a 4-minute report from Santiago stating: "President Patricio Aylwin obviously was moved during the mass celebrated in La Moneda Palace in memory of those who died during the 1973 military coup. The president declined to make a statement after the mass." The report notes that government officials and Socialist leaders attended the mass celebrated this morning in La Moneda Palace. Some officials who attended the mass were: Socialist Party Vice President Jorge Arrate; Jacques Chonchol, former agriculture minister during Allende's administration; and Economy Minister Carlos Ominami.

The report adds: "Rancagua military chiefs and government officials commemorated the 1973 coup in Regiment 22, Lautaro," with a mass celebrated by the military chaplain who labeled the coup a "great heroic effort that liberated our country from Marxism." At approximately the same time, "leaders from the Allendist Leftist Democratic Movement, MIDA, staged a march from the Rancagua Heroes Square to Cemetery No. 2," where victims of human rights violations are buried. The demonstrators marched along downtown Rancagua carrying posters, banners, and flags, demanding justice for human rights violations and the resignation of Gen. Pinochet. The two ceremonies "ended in a completely peaceful manner, without incidents."

A report from Osorno states: "Human rights organizations staged marches and painted on the walls in memory of the victims of the coup." It adds: "Independent Democratic Union, UDI, and National Renewal, RN, activists gathered in front of the Engineering Regiment No. 4, Arauco, to express their gratitude to the

Armed Forces for the 1973 military intervention. Meanwhile, a thanksgiving mass was celebrated in the (Pullehue) Military Regiment in memory of the Armed Forces' victims. Today opposition leaders will dine together to discuss the importance of this date in Chilean history."

A 2-minute report from Santiago states that "a floral wreath was laid by approximately 300 Socialist Party, PS, activists headed by Allende's widow Hortencia Bucci, PS President Ricardo Nunez, and Isabel Allende, on No. 80 Morande Street," one of the side streets of La Moneda, at the door used by Allende until 1973. During this ceremony, Energy Secretary Jaime Toha said: "Here we are, 19 years after that heroic day, to pay homage to President Allende and to those who accompanied him on that tragic day in this palace, and who are no longer with us." The ceremony also was attended by Transportation Minister German Correa and Economy Minister Carlos Ominami.

A 3-minute report from the Military School of Santiago states: "Since early this morning attention was focused on the home of Gen. Pinochet, where a crowd carrying flags concentrated. At 0900 General Guido Riquelme, commander of the Santiago Army Garrison, visited Pinochet and "thanked him for his historical action on 11 September 1973," to which Pinochet replied: "That action was carried out in compliance with a mission entrusted by the Chilean people to the Armed Forces. [applause] It was not an Armed Forces' mission; the Chilean people requested it to free themselves from the Marxist aggression that in those days controlled Santiago with weapons and a group of 15,000 guerrillas commanded by General Laguardia, as we have learned. Thanks to the firm action of the Chilean troops our motherland was freed, and we succeeded. This success was only in compliance with a mission that ended on 11 March 1991." The report states that besides celebrating a mass in the Military School, there was also a salute of 21 cannon volleys. Pinochet also received former government ministers, retired generals, politicians, and artists. He also presided over a private ceremony with high-ranking Army officers. The report adds: "The ceremony in the Military School lasted the whole morning and a large crowd gathered outside carrying flags of Chile, the UDI, and even Nazi flags. "

It is reported that "Santiago Archbishop Monsignor Carlos Oviedo called on those who persist in resorting to violence to change their attitude, because it has been demonstrated that it does not lead anywhere." Oviedo made this statement in the Investigative Police school after attending a wake for three investigative police agents who were killed yesterday in a terrorist attack in Santiago.

A report from Antofagasta states: "Before participating in the thanksgiving mass with which the Army commemorated the 19th anniversary of the military coup, 1st Army Division Commander General Ricardo Izurieta said we are in a free country, therefore each person may express his ideas and act in accordance." However, regional intendant Blas Espinoza said that "to celebrate this day is an action against national reconciliation."

A report from Talca states: "Electricity outages, arrests, a mass, and a march to the cemetery were the main activities here on 11 September. Today at dawn unidentified men threw chains at high tension wires, causing a blackout in a large portion of Talca and San Clemente District. The electricity was soon reestablished. A mass was celebrated in the Talca Regiment at 0930 to pray for those who fell on 11 September 1973." The military ceremony, it adds, "consisted of a parade and a cannon volley salute. At the same time, a group of about 50 women dressed in black marched to the cemetery carrying red posters and pictures of missing relatives. No incidents occurred during the march, which was observed closely by Carabineros." The demonstrators, it states, demanded the revocation of the amnesty law. The UDI and RN staged rallies in commemoration of the date. The report adds that "the Investigative Police today at dawn carried out a broad operation in several suburban areas, arresting about 100 people, four of whom were placed at the disposal of the court for having orders to arrest."

Another report from Concepcion states that 11 September was commemorated with masses, marches, and demonstrations. Government officials had a normal work day. "The UDI also held a ceremony in the city hall to commemorate this day, while the organization of relatives of detained and missing persons and an anti-torture movement staged a march that ended at the cathedral entrance." Thanksgiving masses were celebrated in the Navy base, the prefecture, and the local military regiment."

Another 2-minute report from Temuco states: "Regional political parties today are commemorating 11 September with marches, public actions, and civic-social activities. The rightist parties began the celebrations today at 1000 with a mass in the chapel of the Tucapel Regiment attended by members of the RN, UDI, Party of the South, and Pro-Pinochet Action Movement." It adds: "On the other hand, the leftist parties' members of the Coalition of Parties for Democracy staged a march today at 1000 to the cemetery, and this afternoon at 1800 they will march to protest the amnesty law."

Another 1-minute report from the general cemetery of Santiago states: "A march organized by the coordinator of human rights organizations is entering the cemetery right now. The 3,000 to 5,000 marchers began walking from the headquarters of the Student Federation of Chile, where the speakers remembered the victims of human rights violations. The march passed along Alameda Avenue to La Moneda Palace. Carabineros were forced to intervene when some students attempted to come close to the Flame of Freedom monument. Other demonstrators hurled stones and pamphlets and shouted slogans. Carabineros used water cannons and tear gas" to disperse the marchers. A student was injured during a scuffle. "The march passed by the women's

prison where the demonstrators demanded freedom for political prisoners. They then headed to the general cemetery," where several speeches were given in the memory of former President Salvador Allende.

Another 1-minute report from Talca states: "A square named after Augusto Pinochet Ugarte was dedicated today in the city of Linares in the presence of the regional military chiefs" and regional politicians, including Senator Sergio Onofre Jarpa.

Colombia

Prosecutor Orders Escobar's Arrest, Adds Charge

PA1209033492 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 11 Sep 92

[Report by Javier Dario Restrepo]

[Text] The Prosecutor General's Office on 11 September issued an arrest warrant for Pablo Escobar and the nine men who fled with him from La Catedral Prison between 21 and 22 July. On that evening Escobar and other inmates took hostage Deputy Justice Minister Eduardo Mendoza and Prisons Director General Hernando Navas, and before fleeing, pulled out weapons used exclusively by the Armed Forces.

In its preventive arrest warrant, the Prosecutor General's Office accused them of being co-authors in the crimes of kidnapping for extortion purposes, weapons possession, and aiding the escape of inmates. The Prosecutor General's Office also ordered the seizure of $20,680 found in Escobar's jail cell. Prosecutor General Gustavo de Greiff explained why those dollars were seized:

[Begin recording] [De Greiff] They were seized because they were found in Escobar's cell after he escaped.

[Unidentified reporter] The stubs of some bank accounts were found there. Will those accounts be seized?

[De Greiff] They are being investigated and, if warranted, will be seized.

[Reporter] Will this decision by the Prosecutor General's Office make the surrender of Pablo Escobar more difficult?

[De Greiff] I do not think so because the perpetrators of this action were aware of the consequences. Obviously, this worsened the juridical situation, but I do not think it would stand as an obstacle should Escobar decide to surrender to justice for a second time. [end recording]

Denies Talks on Surrender

PA1409024192 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0030 GMT 14 Sep 92

[Report by Jesus Garzon]

[Text] Pablo Escobar is still being sought by state security organizations and his enemies, Prosecutor General Gustavo de Greiff said on 13 September as he dismissed reports the confessed drug trafficker is reportedly willing to return to prison.

[Begin De Grieff recording] As for the 13 September press reports on Escobar's possible surrender, I can tell you that at least the Office of the Prosecutor General of the Republic has not held talks that could lead to his surrender. [end recording]

Father Rafael Garcia Herreros, however, said he has maintained contacts with Pablo Escobar on his possible surrender to justice.

[Begin Garcia recording] That beautiful and beloved little sheep and I are holding talks. All this has to do with the call of the flock. [sentence as heard] [end recording]

To the prosecutor general the only certainty is that Pablo Escobar must be housed at the Itagui Prison if he surrenders or is captured. Should he wish to surrender he must do so directly and without intermediaries. His safety would be respected and guaranteed and he would be treated as any other inmate in the country.

[Begin De Greiff recording] This is nonnegotiable and there will be no guarantees because this is in keeping with the law. [end recording]

The prosecutor general announced there will be a decision regarding arrest warrants for state officials linked to the investigation on Pablo Escobar's escape in 10 days. De Greiff added that officials found to be responsible for Escobar's escape will receive sentences between four and 12 years in prison.

FARC Front Reportedly To Stage Attacks

PA1309002592 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1700 GMT 12 Sep 92

[Text] Killing Antonio Navarro, president of the 19 April Movement Democratic Alliance, is reportedly one of the objectives of a terrorist cell created by the FARC [Revolutionary Armed Forces of Colombia] to increase their urban operations. An intelligence report, which the "Noticiero 24 Horas" newscast had access to, revealed these worrisome plans.

The FARC is preparing a specialized terrorist front whose immediate military objectives are Cartagena, Barranquilla, Santa Marta, Medellin, and Santa Fe de Bogota. Its other fundamental objective is to kill political leaders Antonio Navarro Wolff, Vera Grabe, and Bernardo Gutierrez and conduct attacks on mayors, governors, and influential persons in the government. The FARC plans to create a subversive mobile brigade. It would be called the 66th Front, formed by 100 men selected from the 5th and 34th Fronts who are kidnapping and explosive experts. The front would be able to move quickly to any area of the country to attack banks, multinational companies, government offices, and hotel

networks, chiefly in Cartagena. Also in Cartagena, the FARC is reportedly going to carry out a proselytizing campaign aimed at tourists and they will make incursions into the major radio stations to leave communiques explaining the reasons for the attacks. The 66th Front has already been created. According to security organizations, it is being trained somewhere in Uraba, Antioquia Department by seven instructors from Nicaragua, Cuba, and El Salvador.

The same intelligence report established a gigantic gunrunning and extortion network in the Uraba region. The leaders use women and Indian chants to send secret codes. More than ever, extortion and gunrunning are the norm in the Uraba region. FARC popular militias carry out this work. They subject businessmen and industrialists to what the militias refer to as a statutory tax—a soda company must pay 1.5 million pesos and a transportation company must pay 2.5 million pesos. After the manager of a soda company refused to pay, the guerrillas burned several of its delivery trucks and raised the tax from 1 million to 12 million pesos. Every day behind schedule means a tax of an additional 1 million pesos is levied. The taxes are paid in zones controlled by the guerrillas, such as La Arenera and Nueva Antioquia. Banana companies are not spared the tax either, as the tax is based on the amount of fruit they export. The tax is set by a member of the militia in the presence of the managers.

The weapons these guerrilla groups use enter the country from the Pacific until reaching the port of Turbo. The shipment goes through El Uno, El Dos, and Teclales Districts in Nueva Antioquia and Rosali. An Ecuadoran flagged vessel, which usually carries bananas, is used to distribute the weapons to the rest of the country. The weapons are delivered a few miles from Turbo to other guerrillas aboard small boats. On land, women are in charge of transporting the weapons because they attract less strict searches.

The militias receive news from the zone through Indian chants that soldiers do not understand.

Miners, Government, Guerrillas Reach Agreement

PA1109132492 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 9 Sep 92

[Telephone interview with Jairo Londono, president of the National Federation of Coal Miners, Fedecarbon, by unidentified station reporter in Santa Fe de Bogota—live]

[Text] [Reporter] An agreement was reached in the past few hours among coal miners in La Jagua de Ibirico, Cesar Department; regional authorities; and apparently the Army of National Liberation, ELN, which was blocking the transportation of coal and consequently Colombian coal exports.

We will interview Jairo Londono, president of the National Federation of Coal Miners, Fedecarbon. Good morning Mr. Londono. Tell us about the agreement.

[Londono] Good morning. The agreement basically consists of the following: First, we will organize convoys so military authorities can escort vehicles transporting coal. Guerrillas are demanding better protection of the environment. We see no problem in this, because it is our obligation to protect the environment and restore the coal mine areas and improve existing conditions.

[Reporter] During a recent interview for our station, you mentioned the way the guerrillas are extorting coal miners. Will you expand on this and explain the amount of protection taxes you have to pay? We were surprised to learn that you paid more money to guerrilla groups, so they would allow you to exploit and transport coal, than you paid the government in taxes.

[Londono] Yes, that is correct. We know that when a vehicle transporting coal—for example a tractor with a 30-40 ton capacity—circulates in El Cesar and Norte de Santander departments, it may be stopped by one of two persons in any locality. In many cases, if the driver does not have the money to pay for each ton of coal, a Molotov cocktail would be thrown at the vehicle, destroying it and its cargo. Consequently, one enterprise had 22 tractors blown up this year. Three tugs transporting coal through the Madgalena River from the Cordoba area to be shipped through Cartagena have been blown up this year. This means that the 480 pesos charged to transporters only in the area of La Jagua, Cesar, represent an income of 720 million pesos per year.

[Reporter] Are you talking about negotiations with the guerrillas to prevent violence on coal transporters?

[Londono] In a communique they sent to the meeting, they committed themselves to discontinue those actions. They said that what they are demanding is a rational exploitation of the nation's natural resources and environmental protection.

[Reporter] Were you not protecting the environment?

[Londono] I believe we are. It is possible, however, that the persons responsible for managing the exploitation and transportation of coal may not follow the regulations. There are specific regulations on how coal mines must be exploited and how the mineral must be transported to prevent damage to the environment.

[Reporter] Will there be negotiations on the blackmail and protection taxes?

[Londono] Apparently this will not happen again. We believe this is important. As a precautionary measure, however, military forces will escort the convoys.

[Reporter] How much money do you think the various companies have paid the ELN in protection taxes?

[Londono] As I said before, we were paying 480 pesos per tons, which is 4.8 times more than the government charges as war taxes. We were not getting any retribution from the Colombian state for those war taxes, as we were not protected.

[Reporter] Could you give us an overall figure? How much money have you paid?

[Londono] I would say more than 1 billion pesos.

[Reporter] Since when?

[Londono] Over one and one-half years.

[Reporter] Why had you not reported this situation?

[Londono] We privately informed the national government, but nothing was done about it. Nothing has been done for the coal mining regions.

[Reporter] When you say that nothing was done, do you mean by the government?

[Londono] Absolutely nothing. Plans that were drafted two years ago to help the region have not been initiated. Today, for example, we do not even have a health center, or a new school, or an aqueduct in the area. Therefore, it is not surprising to see the people collaborating with the guerrillas. People are willing to help, but they also want to receive something in exchange. We must admit that we are affecting the region by exploiting coal and using the roads to transport the mineral and they receive nothing in exchange.

Guerrillas Pay Peasants To Carry Out Attacks

PA1209020192 Santa Fe de Bogota EL TIEMPO in Spanish 8 Sep 92 p 9a

[Text] Medellin—Margot Quiroz, Elias Lopera and his wife Amanda, as well as child Cristian David Quiroz, have been pronounced out of danger at the Medellin hospital. The Army reports that the guerrillas are getting some peasants involved in perpetrating terrorist actions.

According to the 10th Infantry Brigade, in instances such as the blowing up of a section of the Colombian oil pipeline between Segovia and Zaragoza over the weekend, the guerrillas are using a new method which involves the civilian population. Members of the terrorist organizations are offering money to the peasants to perpetrate or help perpetrate such actions.

According to military intelligence reports supplied to EL TIEMPO by the 10th Brigade, the guerrillas operating in Lower Cauca and northeast of Antioquia have been promising peasants up to 10 million pesos for helping them plot and perpetrate a number of attacks.

Three attacks on the oil pipeline have already occurred in this same region, between Puerto Calavera and Machuca. Offering money for these attacks facilitates the guerrillas' actions, the Army says.

Sources in the 10th said in El Bagre, Antioquia, that this information was obtained from informants in a hamlet between El Bagre and Zaragoza, in the Antioquia mining area. According to the same sources, 3 percent of the 40,000 people who mine the region have some connection with the Bolivarian Militia. It is difficult to identify these approximately 300 people because they are part of the population and keep the other miners and peasants generally intimidated.

In the same report, the Army says the 37th Front of the Revolutionary Armed Forces of Colombia [FARC] and three fronts of the National Liberation Army [ELN] receive 2 billion pesos annually from businessmen in Antioquia region for protection money, extortion, and threatening notes.

The area most affected by this situation is El Bagre municipality, particularly Guamoco, on the slopes of the San Lucas range. There, the guerrillas make no distinctions as to social status or economic position when they collect this protection money, which has reached 1.124 billion pesos.

The guerrillas receive between 10 and 20 percent of the small-scale miners' production. These small-scale miners must contribute an average of 60 million pesos monthly or 720 million annually.

For the medium-scale miners, the situation is no different. The 60 backhoe owners operating in El Bagre must gather and deliver annually to the guerrillas 564 million pesos.

In addition, the owners of motor pumps, used in the exploitation of surface mining, must pay the guerrillas protection money amounting to 240 million pesos annually.

The 10th Brigade sources said finally that so far this year this unit has defused 89 antipersonnel mines. One of these bombs maimed peasant Jaime Valdes in June, while he was walking between Puerto Lopez and El Bagre.

Popular Liberation Army Front Leader Captured

PA1209150792 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 12 Sep 92

[Text] Bucaramanga—A man identified as the second in command of the Ramon Gilberto Barbosa Zambrana Guerrilla Front, a dissident group of the Popular Liberation Army, has been captured by a unit of the 5th Army Brigade, which has its headquarters in this department capital.

General Ricardo Cifuentes, commander of the Army unit, told this radio station that the alleged rebel has been identified as Carlos Guerrero.

Guerrero was captured in a rural area where the borders of Norte de Santander, El Cesar, and Santander Departments meet.

Minister Rejects Ruling on Private Television

PA1209001192 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 11 Sep 92

[Text] Two citizens in Barranquilla have decided to establish a private television channel. They claim the new Constitution authorizes them to do so. The Communications Ministry issued a resolution banning them from transmitting television signals because they lack Ministry authorization. The case was taken before an Atlantico Department court that ruled the channel, Telecinco, may operate because the new Constitution allows private citizens to establish new media. Margarita Zepeda filed this report from Barranquilla on the ruling and its consequences:

[Begin recording] [Zepeda] The new constitutional scheme established private television. Telecinco will continue to transmit in Barranquilla. The Administritive Court of Atlantico Deparment ruled in favor of a petition for protection filed by the Telecinco private channel although the Communications Ministry ordered the closure of this media for violating national laws. Thus, a Barranquilla court authorized the privatization of television by ordering the Ministry to abstain from applying the law, basing its ruling on the current Constitution.

[Judge Hernando Rodriguez] The ruling handed down by the Atlantico Administrative Court establishes, or rather recognizes, television was privatized by the 1991 Constitution. It was privatized because it granted the right to anyone to establish mass media. That right to establish mass media is or will be controlled by a new organization, a different organization that was also created by the Constitution. [end recording]

Let us now see what Communications Minister William Jaramillo Gomez thinks about this. The minister warned the court ruling promotes anarchy in the handling of radio and television. Adriana Ayala interviewed Minister Jaramillo on the ruling and its consequences:

[Begin recording] [Jaramillo] I sent a letter to the president of the Atlantico Administrative Court asking him to explain to me the scope of Article 2 of the ruling, because in its current form, it suspended Laws 42, 72, and 14 and the current Statute of Telecommunications, that is, Decree 1900 of 1990. I hope I will have a clarification on the scope of this ruling sometime today, because, frankly, the country would be left without communications or rather without a communications statute. This is tantamount to the country being left without communications because there can be no communications if anyone can invade the electromagnetic spectrum, based on the presumed rights invoked by the ruling and without a legal basis.

[Ayala] Mr. Minister, the Constitution itself, however, states anyone is free to establish a media. What is wrong with Telecinco?

[Jaramillo] Article 75 of the Constitution also states the electromagnetic spectrum is an inalienable public good to which all private citizens have equal access, but in accordance with the law. Otherwise, we would have anarchy.

[Ayala] Mr. Minister, does this mean the government opposes media privatization?

[Jaramillo] The government will present a bill based on Articles 76 and 77 of the National Constitution in about 10 days. I am talking about a law that would oversee the entire development of television in Colombia. The bill, based on the options we are evaluating, would contemplate the possibility of creating the channels...[pauses] privatize some channels, but always preserve the institutional channel, Channel Three, as a state channel. [end recording]

Liberal Party Communique Urges Support

PA1309043392 Santa Fe de Bogota EL TIEMPO in Spanish 11 Sep 92 p 8a

[Communique issued by the Liberal Party Directorate, DNL, in Santa Fe de Bogota on 11 September]

[Text] Aware of the destabilizing actions conducted by several forces to jeopardize the state of law's stable operations, the DNL [Liberal Party Directorate] invites democratic Colombians to reiterate their support to the legally constituted institutions and to support enthusiastically the authorities who are striving to defend the nation's dearest interests.

The DNL appeals to all party members to consolidate party unity so it can focus its fighting ability on actions that will contribute to solving the most dire problems, which have ruthlessly affected several social sectors in the country.

Thus, the Colombian Liberal Party [PL] and its bloc at the Congress of the Republic are willing to study and approve bills aimed at the solution of the country's most pressing problems by promoting a legislative agenda with social contents. This agenda will include the urgent needs of the low-income sectors and will promote Colombia's economic development with adequate incentives for private initiatives to meet the new challenges presented by the international community.

Likewise, we are ready to promote the necessary initiatives to prompt the adequate development of constitutional norms to dedicate collective rights and citizen participation to implement a true and more authentic participative democracy that will interpret the desires of the different sectors in our country.

Consequently, moved by the preceding purposes, the DNL decided to begin a new period of activities that examines the authentic national needs and interprets the anguishes of the party at all levels. To examine the thinking of the highest party leaders, the president of the Republic had the opportunity to meet with Drs. Carlos Lleras Restrepo, Alfonso Lopez Michelsen, Julio Cesar

Turbay Ayala, and Victor Mosquera Chaux, all of whom have held the Presidency of the Republic representing the PL. He also met with various congressional leaders and prominent PL members who have decided to run for the single presidential nomination of the PL.

As a corollary of this process that interprets the widespread feeling of PL members, the DNL informs all PL members of its decision to promote regional and communication forums prior to the National Ideological Council and work to consolidate the consultation process as an instrument that guarantees the unity of the party. The results of this process will have to be later ratified by a national convention convened to that effect.

In addition, the National Ideological Council and the Central Political Commission will be maintained. Also, the presidential hopefuls will present a formula so that both the presidential and vice presidential candidates will be from the PL.

The DNL, in committing itself to work so that this agenda be fulfilled, has decided to convene the National Ideological Forum on 26 March 1993 and the ordinary National Convention—which will have to designate the new leadership of the party—the next day, 27 March.

Poll Shows Decline in Gaviria's Popularity

PA1209012892 Santa Fe de Bogota EL TIEMPO in Spanish 7 Sep 92 pp 1, 8A

[Text] President Cesar Gaviria's popularity currently is at its lowest level. According to a poll conducted by EL TIEMPO and the Yankelovich Innova de Colombia firm in the 10 largest Colombian cities on 2, 3, and 4 September, only 12.66 percent of Colombians have a "good" opinion of Gaviria.

Gaviria's popularity seems to be declining if one compares last week's poll with previous ones (5 June and 26 August 1992).

On those two occasions, 26.72 percent and 13.80 percent, respectively, expressed a favorable opinion of the president. The same question was asked on the three polls: What is your opinion of President Gaviria at this time?

The June, August, and September surveys were conducted by EL TIEMPO and Yankelovich Innova de Colombia in the same 10 cities (Santa Fe de Bogota, Medellin, Cali, Barranquilla, Cartagena, Bucaramanga, Cucuta, Santa Marta, Manizales, and Ibague).

The three surveys had a similar basis: 962, 1,000, and 995 telephone interviews, respectively.

The results show that the president's popularity dropped more than 50 percent between 5 June and 4 September.

Not only did the average number of Colombians having a "good" opinion of the president drop, but the number of persons having a "bad" opinion increased, from 28.90 percent in June to 31.96 percent in September.

The percentage of Colombians having a "fair" opinion of the president increased from 34.62 in June to 54.10 percent in August, and dropped slightly to 52.86 percent in September.

From June to September, three key problems seem to have hurt the president's image: the tax readjustments, Pablo Escobar's escape, and the severe rationing of electricity the country is being subject to.

Prior to Escobar's escape, when the government's main problem was the rationing of electricity, 36.69 percent of Colombians still had a "good" opinion of the president. However, following Escobar's escape, the favorable opinion dropped to 13.80 percent (August 26) when the president's explanations of the incident could not satisfy the public.

According to the survey, Colombians in general are less happy with the country's current situation. In last week's survey, only 2.91 percent said the country's situation was "good," compared to 4.40 percent on 26 August.

While 49.90 percent of those interviewed in August described the situation as "bad," this opinion was expressed by 54.57 percent in September. The percentage of Colombians who viewed the situation as "fair" dropped from 44.90 percent to 42.21 percent.

In last week's survey those interviewed were asked if they had a favorable or unfavorable opinion of the performance of several government branches. The most surprising figure pertained to justice: 74.67 percent of Colombians expressed an unfavorable opinion, while only 15.78 percent said it was satisfactory.

Congress was the second government branch of which citizens have a poor opinion. Only 17.09 percent expressed a favorable opinion, while 69.05 percent disapproved.

The Presidency was the third government branch portraying a poor image. Among those interviewed, 25.63 pecent gave a favorable opinion, against 60.90 percent expressing a negative opinion.

Fourth in the list was the church, which came out better off, receiving a favorable opinion from 53.07 percent of those interviewed, and an unfavorable opinion from 35.08 percent.

Ecuador

Finance Minister Outlines Economic Measures

PA1209194992 Quito Voz de los Andes in Spanish 1130 GMT 10 Sep 92

[Text] Mario Rivadeneira Traversari, the finance and public credit minister, said on 9 September that the

government's economic measures are directed at establishing major changes to improve the nation's critical situation. Internal revenue hopes to collect 500 billion sucres by the end of the year, but some of the money must be used to pay off part of the government's previous obligations. Some of the money we hope to collect will come from business, he said, but the major source will be higher prices for our oil products, which will also help to reduce contraband.

The Finance Ministry foresees a reduction in variable expenses of 70 billion sucres. Rivadeneira said government spending cuts will begin in 1993. Unfortunately, we have inherited debts and obligations that we must face. The main goals this government plans to pursue during its administration are to eliminate corruption in the customs department; to promote foreign investment, providing security to obtain high yields; to attract foreign capital, mainly for the oil industry; to make military enterprises more competitive, under equal conditions; and to establish positive talks with the private banking sector to renegotiate the foreign debt.

The finance minister spoke at the Ecuadoran-American Chamber of Commerce's monthly luncheon about the economic crisis and the changes that will take place in the country as a result of the new measures implemented by the government.

[Begin Rivadeneira recording] Undoubtedly there is broad awareness throughout the country, particularly in productive circles, that the state must be reformed. This is not a fad or a passing superficial alternative for government action. This is about totally changing the relationship between the state and the people. After decades, the state is exhausted and has failed in resolving the problems of society and the people. The disintegration of the USSR and Eastern Europe, and the fact that they have recognized that individual initiative and free markets are essential conditions for the generation of wealth as well as for its just distribution, soundly confirm our premise that we must find new direction.

There is more, however. While this group of countries has failed, others have triumphed, countries such as Chile, Taiwan, Mexico, and the DPRK. They have done so by following an economic and social model which, far from being an unviable option for our country because of cultural conditions, is the only alternative we have at this time. If we do not accept this, we are doomed to underdevelopment and will sink into the Third World. This seems to entertain short-sighted politicians who, while speaking of change, do nothing but prolong our current and critical situation. [applause]

Gentlemen, the choice between a giant, centralized, paternalistic, and consumer-oriented state and a discrete, strong, and small state is not one of faith alone. It is a choice between what has failed 1000 times and what is known to work. [end recording]

According to the minister, the revolutionary government reform plan is twofold. One aspect is the elimination of obstacles to allow more dynamic performance in the private sector, which not only includes large enterprises but small ones and even the self-employed. The other covers the macroeconomic reforms that have already begun.

Rivadeneira pointed out that attaining these established goals will depend on the serious management of macroeconomic matters and on economic stability. The government's success will depend on spending cuts, which will be accompanied by a drop in the inflation rate.

[Begin Rivadeneira recording] Other aspects, which are legitimately the government's responsibility, are seriously deteriorated. It is evident that the course we have been on has lead us into a most serious crisis. Statistically this crisis stands as follows: The average level of economic and social wellbeing has steadily deteriorated, worsened by a growing imbalance in the distribution of income. The per capita gross national product followed an increasing downward trend during the 1980's. In 1991, it was almost 6 percent below that of 1982. Average per capita domestic spending dropped 8.5 percent over the same period. As you can see, we are not exaggerating when we speak of the lost decade.

I believe I do not need to say any more to convince you how necessary it is to begin a profound reform plan throughout the government. The question is how to go about it. [end recording]

According to Finance Minister Mario Rivadeneira, the government has begun talks with private banks to reach agreements on the foreign debt, which totals some $12.2 billion. As we cannot pay this debt, we can at least reach agreements with the banks that will allow us to reduce it. It is much more productive for the country to begin a renegotiation process and get as much as we can from it, without confrontation. On the issue of taxing bank assets, a single payment system will be found, and the amount will be set using a multiple of the taxes that enterprises such as banks and financial institutions pay their appropriate superintendency. Several surveys have been made and it was found that certain entities exist with extremely high and unproductive assets in the form of fictitious uncollectable credits that alter their balance sheets. These companies will have to pay more taxes.

On the value-added tax [VAT], Rivadeneira stated that the government is working in several areas with the new measures and with research, and has concluded that the IVA base must be broadened, not the percentage. The base must be broadened because we believe injustices are being committed that involve those who enjoy tax exemptions and those who must pay their taxes.

Indians To Protest With 'Civil Disobedience'

PA1109224492 Hamburg DPA in Spanish 2155 GMT 11 Sep 92

[Text] Quito, 11 Sep (DPA)—The Confederation of Indian Nationalities of Ecuador (Conaie) has announced

its decision to disavow the government of the conservative Sixto Duran-Ballen and to call for "civil disobedience" to reject the economic measures ordered by the regime.

Luis Macas, top Indian leader, called on all Indian communities and the other poor sectors of the people to protest against the package of economic measures, which he described as "fatal." During an impromptu news conference held at the National Congress, Macas said that "Conaie does not rule out a new Indian rebellion," if the government does not open the possibility of direct dialogue.

"We, the Indians, are the ones affected the most because we do not have a salary to support us, even though we are a vital force for the development of the country," the leader pointed out while extending his invitation for disobedience to the Armed Forces.

Macas disclosed that the Indian organization already has contacted community organizations, student groups, and labor leaders so that "the protest will be very strong." Macas also reported that the group is studying the possibility that the Ecuadoran farmers stop supplying the market with their products as an additional measure.

Conaie's stand has caused serious concern among all political, economic, and social groups in Ecuador because of the consequences it could have. Several circles have commented on the threat by the Indian movement, and recalled with fear the events of June 1990 when the country practically was paralyzed by a Conaie demonstration, a group that includes nearly 4 million Indians from all regions in Ecuador.

Strikes To Be 'Repressed'

PA1209002892 Quito Voz de los Andes in Spanish 2314 GMT 11 Sep 92

[Excerpt] Jose Vicente Maldonado, Ecuadoran minister of the Presidency, has said flatly: All strikes and Indian uprisings are illegal and therefore will be repressed. He added, however, that the government is willing to talk with the Indian sector and the other sectors, too.

[Begin recording] [Maldonado] This is what I have to say. The country's general reaction, following the implementation of the government measures, is very sober and calm. We hope for and expect good results from these measures in the coming months. As for social peace, it is the government's duty and I can assure you that the government will obey this mandate.

[Reporter] How will you handle the staggered strikes announced by the Central Labor Union?

[Maldonado] All illegal strikes will be repressed. [end recording] [passage omitted]

President Repeals Social Security Decree

PA1109172792 Quito Cadena Ecuador Radio in Spanish 2300 GMT 10 Sep 92

[Text] President Sixto Duran-Ballen has repealed Executive Decree 87, which gave full powers to Social Welfare Minister Mariana Argudo Chejin to appoint the acting director of the Social Security Institute. In so doing, the president ignored the powers of the Higher Council.

[Begin Duran-Ballen recording] [Words indistinct] the matter has been settled. [end recording]

Vacancies Left To Avoid 'Excessive' Spending

PA1209023392 Quito Voz de los Andes in Spanish 2300 GMT 11 Sep 92

[Text] President Sixto Duran-Ballen Cordovez has said no government vacancies will be filled except for certain special cases and unless he has approved it with his signature. The president is thereby trying to avoid excessive government spending. Austerity has reached the government palace and service is limited to the most indispensable, according to several sources.

The government is also drafting public administration plans, among them compulsory retirement, which is facing resistance in congress and among those who are about to reach retirement age. A month after taking office, the president has begun listening to reactions to the measures he has adopted and is seeking new ways to fulfill his objectives.

I have heeded my conscience, I am responsible for everything, the president said with regard to the measures he has adopted.

A month into his government, the president has had to deal with a problem at the Ecuadoran Social Security Institute [IESS] in which a solution was reached, but at the expense of taking a step backwards. President Duran-Ballen canceled the decree appointing Fernando Navarro director of the IESS. The members of the IESS board of directors did not accept Navarro and after his resignation, the board members dropped charges against the social welfare minister.

President Duran-Ballen is determined to draw the country out of the economic crisis in which the Ecuadoran people find themselves.

IESS Director Resigns in Midst of 'Crisis'

PA1109230492 Quito Voz de los Andes in Spanish 1130 GMT 10 Sep 92

[Text] Fernando Navarro resigned yesterday as acting director of the Ecuadoran Social Security Institute, IESS, given the position assumed by members of the IESS Superior Council and workers. Navarro said: There are legal vacuums that have caused my position to lose

legality. Meanwhile, he labeled the executive presidential decree, whereby Social Welfare Minister Mariana Argudo assumed the administration, direction, and supervision of the state's social security policy, as plagued with legal vacuums. Argudo had based the appointment of the acting IESS director on this decree, in opposition to the appointment made by the Social Security Superior Council. Navarro regretted the conflicts that the mentioning of this sector's privatization has caused. He said the productive sector can organize its own social security systems without the IESS shortcomings. Navarro asked for the modernization of the IESS without the creation of a conflicting situation.

Meanwhile, the Tribune of Constitutional Guarantees [words indistinct] President Sixto Duran-Ballen and Social Welfare Minister Mariana Argudo to present a report on the appointment of the new IESS director, Fernando Navarro. The president, as well as the social welfare minister, will have until 14 September to report to the Tribune on the procedure that was used in the appointment of the IESS director.

The members of the IESS Superior Council and labor leaders each had filed suits before the Tribune of Constitutional Guarantees to declare Minister Argudo's decision to appoint Navarro as IESS director unconstitutional, pointing out that that is the exclusive task of the IESS Superior Council. Navarro's resignation virtually puts an end to the crisis in the IESS, where the workers had staged a strike rejecting Minister Mariana Argudo's decision. The social welfare minister had said that if Fernando Navarro did not take office as IESS director, she would resign her post.

Bank Implements Currency Exchange Measures

PA1109141592 Quito Voz de los Andes in Spanish 1130 GMT 8 Sep 92

[Text] Since 4 September, the Central Bank has been applying the new exchange formula implemented by the government for receiving dollars from exporters. The exporters receive 85 percent in sucres and 15 percent in exchange stabilization bonds. The bonds began to work immediately, because the exporters tried to negotiate the documents in an attempt to receive the remainder of their sucres. Early reports indicate the bonds were well received. One banker said these are an attractive document for the treasury of a bank. Banks purchase the stabilization bonds, which will mature in 180 days, in dollars at 4 and 5 percent discounts. Several exporters approached Central Bank tellers shortly after the announcement of the measures to conduct their transactions under the new Monetary Board regulations.

The first dollar-bonds were issued on the morning of 4 September. On 8 September, the open market dollar exchange rate stood at 1,810 sucres to purchase and 1,830 to sell. For smaller amounts, the rate stood at 1,790 and 1,850 respectively. One independent currency exchanger said that he had an enormous supply of dollars, as was expected, and pointed out that there had been a large demand for the currency during the week, either for speculative reasons or to purchase stock in certain companies. For the time being the U.S. dollar exchange rate on the open market is lower than the official exchange rate. This situation had moved the importers to demand U.S. dollars as the Central Bank's intervention dollar cost them 2,000 sucres.

This move, plus the 2 percent drop in the reserve ratio, is expected to help the banks recover their normal liquid asset levels and the Central Bank to recover its reserves. During recent months the Central Bank was selling $50 million per week, based on the specific quotas, but now, experts say the exchange windows will be deserted.

Labor Leader on 'Exaggerated' Economic Measures

PA1109143392 Quito Voz de los Andes in Spanish 2300 GMT 8 Sep 92

[Text] Gilberto Freijo Romero, president of the National Confederation of Public Employees, Conasep, has said the government exaggerated its economic measures in its efforts to revive the economy. This has generated much uneasiness, and thus, the government will have to make the corresponding corrections, he added.

The multiplying effect on prices caused by a rise in fuel prices and a devaluation will seriously deteriorate the standard of living, Freijo Romero said. He added cement is being sold at 9,000 sucres per quintal.

In view of the most recent economic measures imposed by the national government, Conasep protested this evil death blow inflicted on our working class and a majority of Ecuadoreans, Freijo Romero stated. This attitude is inconsistent with the support Sixto Duran-Ballen received in the recent election, the president of this organization added.

The country's hope for better days has been frustrated once again because the government is following stubbornly the obsolete formula of the IMF and this will bring about difficult times, monetary devaluation, increase in utility and fuel prices, reduction in the state payroll, and a massive plan of indiscriminate privatizations, the Conasep president stated. They will blame public servants for the great evils that are burdening the country, especially the debacle of fiscal economy. The true cause of the fiscal deficit is the administrative ineptness of those who have ruled the country, the lack of an effective tax control system and polices to prevent capital flight, and the inability to stop political looting every time there is a change in administration, the labor leader added.

Freijo Romero said Conasep, representing all Ecuadoran public servants, rejects and condemns the establishment of a war-like economic policy against the permanently exploited segments of the population and demands the immediate adoption of compensatory measures commensurate to the inflationary index rather than excuses that denigrate our human condition.

President Analyses Role of Military in State

PA1109172392 Quito Voz de los Andes in Spanish 1130 GMT 11 Sep 93

[Text] Ecuadoran President Sixto Duran-Ballen and his cabinet met privately on 10 September with the military high command's National Security Council at the National Institute of Higher Learning. Official sources reported the goal of the meeting was to analyze the National Security Council's role in the state's organization.

Vice President Alberto Dahik and presidential advisers were present at the meeting. It was officially reported that the meeting's objective was to define the relationship that should exist between this important institution, in charge of national security, and the other state institutions. It was learned, that the meeting's goal was also to evaluate the social impact of the economic measures announced exactly one week ago. The position of the Confederation of Indian Nationalities of Ecuador, which has called for civil disobedience, was also analyzed.

*** Army Industries Head Discourages Privatization**

92SM0583B Quito HOY in Spanish 3 Aug 92 p 3A

[Interview with Marco Mino, director of the Army Industries Directorate (Dine), by Hernan Ramos; place and date not given]

[Excerpts] In 1991, its 3,037 workers received 11.542 million sucres in pay and profits, and the state received 23.5 billion from collections of income tax, the value-added tax, and customs duties. It purchased goods, services, and raw materials at a cost of 22.2 billion from the 2,234 companies with which it is associated, and its production saved the country 141.2 billion sucres. These are some of the figures "that the Army Industries Directorate (an FFAA [Armed Forces] holding entity that includes 22 companies) has no problem in announcing to the country."

While the new regime is talking more and more about privatizations, HOY began its dialogue there with retired Colonel Marco Mino, executive director of this most peculiar holding entity.

[Ramos] Duran Ballen has confirmed his intention of privatizing some state enterprises. What is your opinion of this possibility?

[Mino] It is a trend that has been occurring, especially in the underdeveloped countries. And I believe that privatizations should be subjected to a serious, pragmatic study.

[Ramos] What factors should be considered?

[Mino] Efficiency, for example.

[Ramos] In other words, you mean that the most efficient ones should not be privatized?

[Mino] They should not be privatized. Nor do I think that the enterprises providing social services should necessarily be privatized. It is a very difficult problem; that is why I stress that a scrupulous study is required.

[Ramos] Are you suggesting that caution be taken with privatizations?

[Mino] Of course, because they have a connotation not only in the economic area, but in the social area as well. The size of the state must be reduced; I am aware of that, but it should be reduced in a manner that will not cause a real social problem. The social cost of privatization always entails critical problems in the social area. And that must be handled very carefully.

[Ramos] The FFAA-Dine [Army Industries Directorate] are included among the state enterprises. Do you think that the same privatizing principle of efficiency and social service should be applied to them?

[Mino] There is a great ignorance of what the Dine is.

[Ramos] In what sense?

[Mino] Erroneous statements have been made....

[Ramos] What, for example?

[Mino] It is claimed that the Army enterprises have subsidies and receive advantages because military personnel work in them, etc. And that is not so.

[Ramos] If the proposal is made to privatize the companies in which the Dine has a majority of stock shares, what would your people's position be?

[Mino] As a rule, our companies are private, and there is no need to privatize them unless the stockholders voluntarily decide to sell their shares. This is stipulated in the Law on Companies. I believe, based on my sense and judgment, that only inefficient enterprises should be privatized. [passage omitted]

[Ramos] Are the companies in which the Dine participates public or private?

[Mino] Except for two (Ecuadoran Military Manufactures (FAME) and Santa Barbara Ammunition), which may be considered 100 percent public enterprises, the other 20 are mixed economy companies of a private type.

[Ramos] And what about the companies in which the Dine has a majority of shares?

[Mino] That does not make them public. They are private and subject to the control of the Superintendency of Companies.

[Ramos] Is the Dine associated with foreign capital?

[Mino] Yes.

[Ramos] Based on what criterion?

[Mino] The country needs the foreign investment to generate development, to grow, and to generate wealth.

[Ramos] In which companies is that capital invested?

[Mino] For example, in Omnibus BB there is capital from General Motors in the United States; in Seito, from Japan; as well as our own capital and that of some national investors. In Explocen, we also share capital with another U.S. company.

[Ramos] What was the source of the Dine's capital?

[Mino] At present, the state is not giving the Dine a single centavo. The initial funds for its establishment came from the Army.

[Ramos] With how much capital did the Dine start up?

[Mino] With that from the FAME. It went on from there generating its own funds.

[Ramos] Where do the Dine's profits go?

[Mino] They are divided into three parts: to generate new companies, to recapitalize those already existing, and to the Army for its specific use. [passage omitted]

[Ramos] Is the Dine operating in competition?

[Mino] Not in unfair competition, but rather in a healthy rapport with similar companies.

[Ramos] One of the criticisms made of the Dine is that its companies are impairing its nature, going too far. What is your opinion?

[Mino] Let them give me a reason! We certainly are not harming anyone! That is a senseless criticism, resulting from ignorance.

[Ramos] Well, a former U.S. ambassador once made such a comment.

[Mino] It was a very personal and mistaken opinion. It is false that the FFAA does not allow openness and runs its companies carrying rifles. There are no members of the military on active duty heading our companies; 98 percent are civilian personnel who enjoy stability and guarantees.

[Ramos] What are the financial profits and losses of the holding companies?

[Mino] All the companies are totally efficient.

[Ramos] In the peculiar Dine-private enterprise association, what does the private entrepreneur contribute, and what do the military contribute?

[Mino] The private entrepreneur contributes his initiative, his dynamism. We contribute the organization, and a certain degree of discipline.

[Ramos] Any projects on the agenda?

[Mino] Building a five-star hotel in Quito; the project is very far advanced. The capital will come from the United States: 51 percent for them and 49 percent for the Dine.

[Ramos] Why isn't the ratio the opposite of that?

[Mino] The entrepreneur must insure his investment, and he achieves this totally with a majority on the board of directors. The Dine does not want to limit the possibility of investing. We want the country to develop, and we provide the facilities. The project will create 500 jobs. [passage omitted]

[Ramos] Do you fear competition, and the tariff openness?

[Mino] No, we are aware that our companies are competitive. We are foes of subsidies, and we have prepared ourselves to compete by modernizing the companies, applying technology to production, etc.

* Economic Forecast for 1992-96 Provided

92SM0583A Quito EL COMERCIO (Economic Supplement) in Spanish 11 Aug 92 pp 3-6

[Report by Oswaldo Davila Andrade: "Ecuador, 1992-96: A Dependent Growth Scenario"]

[Excerpts] [passage omitted]

Ecuador and Dependence

I think that it would occur to only a few persons to claim that Ecuador is not an economically dependent country. Its exports are still primary products, with almost no degree of processing, while its imports have an increasingly larger technological content, and there are foreign loans. Its domestic market is only half that of Mexico City, and a very high percentage of its investment is made with financial resources from the international financial system because the direct annual investment does not exceed $80 million. Generally speaking, its economic growth depends very heavily on the volume and value of its exports, and on a steady, positive flow of external financial resources. [passage omitted]

An Illustrative Exercise

The government that has just taken office has already staked out approximately, through its official spokesmen (MARTES ECONOMICO, No. 190), the economic course on which it intends to put the country, based on the prevailing free market theory. It has done so with an optimistic view: After his visit to Washington, the president claimed that, from now on, the country will embark on an economic "boom"; and the news media announced that the program for the first 100 days of government was ready. We understand that the latter is a part of the medium-term plan, which, at least according to a constitutional ruling, must be adopted by the Executive Branch.

Although we do not know the explicit objectives proposed in the plan, we believe the goals stated by President Duran Ballen during his campaign, interpreted as the achievement of progress with equity, in peace. We also understand that the 100-day program has been prepared in a manner totally consistent with those stated goals and that, apart from the immediate action that must be taken in the monetary, exchange, and price areas, the priorities include those declared by the president on Thursday, 3 July 1992, at San Francisco Square: "Housing, health, roads, and communications will be the main projects of my administration." (EL COMERCIO, 3 July 1992).

It is true that the current president, with the serenity and deliberation that typified his entire campaign, focused on virtually all of the problems that have beset the country for a long time. He promised to expend all of his government's effort on solving them, without seeking to work miracles or change things overnight, thus reflecting the realism of his approach. For this very reason, it seemed fitting to us to attempt, with all the limitations inherent in economic predictions, to estimate the likelihood of the government's being able, within a four-year period, to mitigate (not solve) the various converging problems comprising the current precarious situation of the vast majority of Ecuadorians. At least in this way, those expecting to reach paradise without effort may have an idea why, in our personal opinion, the president answered a Spanish reporter's question by saying that to improve the present situation would require "sweat and tears."

A Possible Scenario for Dependent Ecuador

It is unquestionable that coping with the present conditions and those in store for the Ecuadorian economy depends essentially and primarily on what happens in the world economy. Secondly, it will depend on how the country can internally administer the increasingly fewer economic resources available to it. [passage omitted]

The potential scenario that we have selected to give an idea of the changes that may be awaiting the country over the next four years is perhaps the most optimistic one in a forecasting exercise with multiple scenarios carried out recently by Conade [National Council for Development]. It has some changes that we considered warranted in the light of more recent information.

World Economic Context

If, in order to grow, Ecuador is largely dependent on what happens in the world, it seems fitting, first, to obtain a superficial idea of what is likely to occur in the world economy, according to specialized international agencies. In the view of organizations such as the OECD [Organization for Economic Cooperation and Development], the World Bank, and the IMF, the worldwide recession has not yet ended, and emergence from it is occurring more slowly than expected. From an annual growth in the world GDP of 2.2 percent in 1990, there was a decline to -0.3 percent in 1991, and the prospects for this year, 1992, are for a growth of only 1.4 percent. This has been strongly influenced by the low growth rates in the industrialized world in general and by the impressive decline in the economies of the ex-Soviet Union and Eastern Europe. [passage omitted]

Generally speaking, and for purposes of this exercise, it may be claimed that the growth in North American and European demand for products of the type exported by Ecuador will be limited. It is even more so if we add to this restriction all of the additional ones, such as tariffs and quotas, that almost surely will impede the access of products such as bananas (and, in the case of Brazil, soybeans) to a market that was presumed to be secure and expanding.

Exports

Even with the aforementioned limitations, we have accepted as a hypothesis that Ecuador will succeed in enacting a policy to expand its traditional and nontraditional exports of goods and services, raising their value to $4.23 billion in 1966, from a level of $3.232 billion in 1991. This means achieving an annual increase of 5.6 percent in total exports.

Of course, this total is greatly influenced by exports of oil and of the so-called "traditional" products. As for hydrocarbon exports, given the current production and price conditions and starting from a value of $1.424 billion in 1991, it is estimated that by 1996 the figure of $1.218 [as published] billion might be reached: an annual increase of only 1.5 percent. "Traditional" exports could rise from a value of $1.411 billion to as much as $2.048 billion, assuming that there is no major effect from the European restrictions on bananas and from those of the United States on fish. Both, per se, are optimistic hypotheses. This possibility would result in an annual average increase of 7.7 percent, which is quite high for traditional products, from the current perspective.

Nontraditional exports, although they have good prospects for sales in foreign markets (provided that all the increasing requirements set by the countries of destination are met), could increase at a high annual rate of 15 percent between 1991 and 1996, based on this optimistic hypothesis. Nevertheless, their relative influence on total exports is still (and will continue to be) very slight and not sufficient to replace the traditional items and oil.

With regard to this latter product, we should stress the element of uncertainty hovering over it, not only because of the instability in the Middle East, but also owing to the real possibilities of increasing Ecuador's production volume and of achieving a better world price. For this exercise, it has been assumed that the average price for 1992 will be $16.69 per barrel. From 1993 onward, presumably, it will remain constant, at $17. As for production, the assumption is that it will remain steady at 107 million barrels per year.

Foreign Debt

In order to be able to determine the importing capacity that the government might have, we must also hypothesize on the possible results of the long-standing action being taken to renegotiate the foreign debt. As has been officially claimed, the position of the international creditors is more positive toward Ecuador. This was to be expected, inasmuch as the negotiations with Brazil have been completed.

The "easing of the debt burden" mentioned by the president of the Republic after his visit to Washington is a key factor for the release of funds earmarked for growth. One extreme form of this easing would be forgiveness of the debt which, nevertheless, is totally improbable. Among the existing mechanisms, however, we could consider one that has been ruled out until now because of the contractual stipulations. It is the country's direct buying back, at discounted market prices, of at least a portion of the debt that Ecuador owes to the private banks.

On the assumption that Ecuador would, as a country, be allowed to buy back its foreign debt with the market discount, one could envision a scenario that would make it possible to reduce the debt to the private banks substantially. If, this year (1992), there were $1 billion available to buy the debt on the secondary market, it would be possible to purchase $3.333 billion out of a total debt of $5.298 billion currently owed to the banks. Buying back $1.428 additional billion during 1993, for which about $428 million in cash would be required, would leave Ecuador's debt to the private banks at a more manageable sum of approximately $5.5 billion (not counting the unpaid interest).

Nevertheless, the new loans, including credits used and yet to be used (for such things as the diversion to Santa Elena and the airports, for example) and without considering the arrears accumulated as of 1991, could take the total debt to levels approaching $7 billion, a still appreciable sum. This will continue to be a limitation on the country's capacity to import and, hence, on its capacity to hasten economic growth.

Capacity To Import

If growth is largely contingent on Ecuador's technological dependence with respect to capital goods and raw and intermediate materials that it does not produce, we must inevitably attempt to estimate the capacity for importing that Ecuador might have during the next four years. This "importing capacity" is determined by the total foreign exchange income that the country receives from the sale of goods and services, minus the debt service and plus the disbursements that it receives from loans, both in effect and new. To be added to this amount are the transfers received from abroad and direct foreign investment. If the present conditions do not change, these latter two items would amount to only about $180 million per year between 1992 and 1996.

The end result is that, when the four factors: exports, the purchasing of the debt, new loans, and direct transfers abroad, are combined, Ecuador could make imports in the following amounts: $2.98 billion in 1992, $3.178 billion in 1993; $3.526 billion in 1994, $3.767 billion in 1995, and $4 billion in 1996.

It should be stressed that with these figures, there would be no change in the amount of the international monetary reserves during the entire period.

Effects on Economic Growth

As is evident, the restrictions imposed by the probable international situation during the next few years, the capacity for expansion of Ecuadorian exports, and the requirements for imports that must inevitably be made in an open system, even if (a rather utopian notion) Ecuador were afforded the opportunity to buy a large portion of the private debt, create an economic scenario for the country that does not promise major progress from the current situation.

In fact, Ecuador's total gross domestic product, based on the already cited hypotheses, would grow from a level of 188.033 billion sucres (1975 prices) in 1991 to one of 218.68 billion sucres in 1996. This implies an average annual rate of 3.1 percent. In terms of per capita product, if we admit that the population has reduced its growth rate from that observed in the past and is now increasing at only 2.3 percent per year, the result would be that, on average, during the new government's term each Ecuadorian would have his income improved at the rate of 0.8 percent annually. These circumstances would raise the per capita income from a current figure of 16,973 sucres (1975 prices) at the end of 1991 to 26,115 sucres by the end of 1996. This is a 54 percent increase at real prices, but only after five years.

Growth in Certain Key Variables: Current Situation and Future Scenario

	1988-1991[1]	1991-1996
Total GDP[2]	2.3	3.1
Per capita GDP[2]	0.6	0.8
Exports[2]	2.8	5.6
Imports[2]	7.2	8.6
Foreign debt balance[3]	9435	7000

1. Source: Central Bank, National Accounts, No. 15, June 1992.
2. Average annual growth rates for the period.
3. In millions of U.S. dollars. Arrears accumulated until 1991 not included. Table compiled by MARTES ECONOMICO.

By Way of Summary and Conclusions

The contemporary trend in economic thought, which tends to minimize the state's role in the economy and concentrates growth on the free play of market forces, does not replace dependence with interdependence among countries or blocs of countries, especially for

small, developing countries like Ecuador. Their progress is still subject to the decisions made in the developed world. Under the current circumstances, there is a high degree of uncertainty regarding the direction that those decisions will take and, hence, regarding the effect that they might have on economies such as ours, the progress of which depends to a large extent on the performance of its external sector. [passage omitted]

The exercise presented, despite all the limitations and weaknesses of any type of prediction (MARTES ECONOMICO, No. 192), may help to illustrate the existing possibilities of some improvement in the state of critical poverty in which the majority of Ecuadorians are currently living, even with the knowledge that eliminating that poverty level is still very far removed. We must be clearly aware that even making a slight improvement will require much effort and discipline. However, we believe that the Ecuadorian people and their economic and political leaders are ready to expend all the sweat that the current president quite rightfully claimed to be necessary. We hope that the tears, if there are any, will only be those flowing from the eyes of those who observe the thwarting of their petty interests and ambitions that, as in the past and future, will persist, putting individual profit ahead of collective progress.

• Poll Gauges Business Views on Free Trade

92SM0583C Quito HOY (Special Supplement) in Spanish 30 Jul 92 p 11

[Text] The Industrial Development Center of Ecuador (Cendes), in fulfillment of its objectives of service to the country's productive sectors, conducted a poll of 251 executives from the industrial, commercial, banking, financial, labor, agricultural-livestock, transportation, and capital goods sectors.

As a result of this survey, it was learned that 80 percent consider it beneficial for Ecuador to remain in the Andean Subregional Pact and to expend every effort to consolidate it.

The arguments expressed are identified with the need to expand the market and complement our economies, acting as a bloc, to achieve better opportunities for negotiation with the rest of the world.

They note that the initial subregional competition will require an improvement in the productivity of business firms and better use of installed capacity. In this way, we shall prepare ourselves to successfully invade other markets, while at the same time reinforcing our domestic market.

The 20 percent who do not approve of subregional integration minimize the importance of the Andean market in comparison with other negotiating options. Nevertheless, there are some who do not agree, holding the view that the productive sectors are not yet prepared to compete with similar ones abroad.

However, those polled also note that there is a group of productive sectors that could be harmed, such as: metal-working, textiles, chemicals, the automotive industry, and pharmaceuticals. They base their claims on the lack of raw material and components, meager technological development, high prices, and greater competition from other countries.

Although, generally speaking, the assertions made by the entrepreneurs are fair and well-founded, it is nevertheless true that technology and marketing are developing precipitously in all environments and geographical zones. Consequently, our country cannot and must not remain isolated or, what is worse, lag behind in modern technological innovations.

Summary of the Results of the Poll of Economic Sectors on Andean Integration

Question 1: Do you believe that Ecuador should remain in the Andean Group?	
Yes	79 percent
No	21 percent
Question 2: Do you think that the Free Trade Zone could operate without concurrently accepting the Common External Tariff?	
Yes	30 percent
No	70 percent
Question 3: Should Ecuador's participation in the Free Trade Zone be:	
Total?	41 percent
With exceptions?	59 percent
The latter claim that the exceptions protect certain productive sectors, especially: textiles (22 percent), metal-working (16 percent), foods in general (15 percent), agricultural products (14 percent), unprocessed foods (7 percent), automotive industry (5 percent).	
Question 4: Do you expect Ecuador's participation in the Free Trade Zone to be:	
Advantageous?	81 percent
Neutral?	9 percent
Detrimental?	10 percent
Question 5: In your view, with the Free Trade Zone, what will be the effect on the productive sectors?	
Beneficial	52 percent
Harmful	48 percent

Question 6: What measures should be adopted in the country to accrue the greatest advantage from participation in the Free Trade Zone?

- On the government's part? Why?
- On the entrepreneurs' part? Why?

Response (On the government's part):

- Tariff, tax, labor, stock market, and educational reforms.
- Definition of the industrial, monetary, salary, and price macroeconomic policies.
- Consideration given to selective incentives.

- Programs established to promote the agricultural-livestock and agroindustrial sectors, foreign investment, technological innovation, and exports.
- Improved tax and customs control, depoliticization of technical entities, and enforcement of the Consumer Law.

Response (On the entrepreneurs' part):

- To be competitive, they need modernization through training, attracting better technologies, and efficiently using their installed capacity.
- Need for foreign market studies and the necessary aggressiveness to invade the subregional market and those of third countries.
- Finding mechanisms to attract foreign investment, and expressing their predisposition toward investment and opening of their stock shares, and toward new investors.

Question 7: Do you consider the special treatment for Ecuador, with about 1,000 items in the Common External Tariff, sufficient?

Yes	64 percent
No	36 percent

Question 8: Do you agree that Ecuador should enter the Free Trade Zone without prior elimination of subsidies for other member nations' exports?

Yes	6 percent
No	94 percent

Question 9: Do you agree that Ecuador should approve the Common External Tariff and that the other member nations, apart from the Andean Group, should negotiate with third countries?

Yes	44 percent
No	56 percent

Question 10: What would other important decisions of the Andean Group be to improve integration?

Responses are summarized in the following:

- Opt for antidumping systems; make efficient determination of tariffs, subsidies, and tariff setting methods; and penalize noncompliance.
- Act as a bloc and unify economic policies, particularly monetary, exchange, and tax policies.
- Improve conditions for trade among the countries, making customs and transportation services efficient, and attempting to accelerate formalities.
- Learn the real market potential of the other countries; have a free play of supply and demand, without disregarding the bilateral agreements; and negotiate our inclusion in the GATT.
- Extend the work week schedule, and eliminate state paternalism.

Economic Sectors' Options for Other Alternative Economic Systems

Question 1: In your view, what would be the most beneficial alternative economic system for Ecuador?

Response	Percentage
Worldwide openness	49
Regional integration	19
Integration by groups of countries	6
Bilateral agreements	26
Total	100

Question 2: In the system selected by you, what should be the principal measures for immediate adoption?

Responses	Worldwide Openness	Regional Integration	Groups of Countries
Negotiate with most suitable countries and most important products	X		
Negotiate with countries that make the decision, and seek equal conditions for currency, interest rates, tariffs, etc.		X	
Plan negotiating sessions seeking trade balance advantages			X

Question 3: In the system selected by you, do you think that the current national tariff levels should be accompanied by mechanisms for tariff setting or those of another type?

Responses	Percentage
Yes	4
No	57

Question 4: What do you consider appropriate protective tariff setting levels to enable Ecuador to participate in the integration system selected?

Tariff level (percent)	Raw material	Semiprocessed	Final manufacture	Capital goods
	Percentage of Responses			
0-5	79	41	7	73
10-15	16	52	47	18
20	3	1	32	8
More than 20	-	-	0	-
No answer	2	6	4	1

Paraguay

President Informs Judge on Arrest of Colonel

PY1109160092 Asuncion NOTICIAS in Spanish 11 Sep 92 p 10

[Text] General Andres Rodriguez, in his capacity as Armed Forces commander in chief, has submitted a note to Judge Felix Silva Monges informing him of the reasons for the detention of Colonel Luis Catalino Gonzalez Rojas at the Presidential Guard Regiment headquarters, stating that the matter falls "within the exclusive jurisdiction of military courts."

"Concerning your Note No. 1186 dated 9 September 1992 issued in connection with a habeas corpus petition filed in Asuncion by Mr. Raul Gonzalez Valdez and Cipriana Rojas Gonzalez on behalf of Mr Luis Catalino Gonzalez Rojas, I hereby transcribe for Your Honor the corresponding part of Resolution No. 1 issued by the Military Justice Service Directorate on 9 September 1992.

"The exclusive jurisdiction of the courts in this specific case stems from the terms of Article 174 of the Constitution, because the facts have been attributed to a military man on active duty. Consequently, civil courts have jurisdiction only in connection with any action that may stem from the resolutions by the Military Courts," the presidential note states.

Gen. Rodriguez also submitted to the civil courts the arrest warrant issued by Division General Humberto Garcete, the Army commander, and a report on an inquest ordered by the military judge, Division General Pedro Ocampos Rodriguez.

Through Order No. 6 dated 1 September, the Army Command initiated an inquest to investigate the alleged irregularities and misdemeanors committed within the zone of the Fourth Infantry Division, headquartered in Capitan Joel Estigarribia. "Slandering, offensive, and defamatory expressions against his commander and several Army commanders have been attributed to the acting Commander of the Fourth Infantry Division. These expressions have been made public, violating military regulations," the report says.

The note adds that "this fact is a serious infraction of discipline, as set forth and punishable by the Military Penal Law."

Based on the above considerations, and taking into account Articles 51, 54, and 300 of the Military Penal Code, the Army commander ordered the arrest. This conclusion can be drawn from the note that was sent to the civil court. The lawyers of Col Gonzalez Rojas today will reportedly press charges against high-ranking military chiefs concerning the trafficking of vehicles to Bolivia.

Senate Takes Firm Stand on Corruption Issue

PY1109213892 Asuncion HOY in Spanish 11 Sep 92 p 3

[Text] The far-reaching implications of the case involving Colonel Luis Catalino Gonzalez Rojas already have materialized in the Senate. This was evident yesterday when the Senate issued a statement "with regard to the serious events that are common knowledge" and especially concerning the accusation lodged by Col. Gonzalez, who currently is in custody at the Presidential Guard.

The Senate states its "deep concern about the corrupt practices involving some members of the Armed Forces and other public institutions."

It further "urges the other branches of government to urgently take the necessary measures to rectify the reported irregularities, which threaten to destabilize our transitional government, which saw the light thanks to the Armed Forces and the Paraguayan people as a whole."

Copies of the statement have been delivered to the executive and judicial branches, as well as to the press for publication.

Several senators spoke from the floor seriously questioning the stance of the high-ranking military officers who oppose the proposal to place Col. Gonzalez Rojas' case under the courts' jurisdiction. Carlos Romero Pereira, Roque Jacinto Avila, Rodolfo Gonzalez Garabelli, Juan Carlos Zaldivar, and Julio Rolando Elizeche, among others, were quite adamant that the Constitution and the law must be observed.

Sen. Elizeche stated that Col. Gonzalez Rojas' case involves a common crime connected to several others, and that military officers are government officials who must stand trial for those crimes.

Senator Evelio Fernandez Arevalos pointed out that the Armed Forces' top brass showed complete disregard for the Constitution when they sought to try Col. Gonzalez Rojas before a military court.

The Attorney General's Office was severely criticized for its "passive role" in the issue. Criticizing the position adopted by [Army Commander] General Ramon Humberto Garcete, Fernandez Arevalos said: "There might be something in the case pertaining to a breach of military regulations, but—on account of the importance of the facts and the principles enshrined in the Constitution—that is a minor thing that necessarily must be relegated to the background."

In a forceful speech, Roque J. Avila stated that "in light of this shameful iniquity, we are convinced that the criminals responsible for so wicked a crime will be meticulously and thoroughly investigated so that they may be duly punished for such despicable offenses against our nation's honor and dignity."

To a man, all the speakers condemned what happened; they unanimously passed the above resolution and established a congressional investigating committee.

Candidates' Electoral Promises Concern Creditors

PY1209185292 Asuncion HOY in Spanish 12 Sep 92 p 10

[Excerpts] Paris Club country members, particularly Japan, are concerned about the electoral promises being made by some presidential candidates whose government programs hint that if they are elected they will preserve the state apparatus as large and spendthrift as it is now.

Official sources reported yesterday that this worries creditors, because they believe such an attitude could endanger Paraguayan Government plans to honor its debt.

Central Bank (BCP) President Jose Enrique Paez expressed this concern at the end of a meeting between President Andres Rodriguez and his cabinet. Paez said: "The Japanese Government and the Eximbank [Export-Import Bank] have expressed their concern over the political prospects of next year's presidential elections. The Japanese institutions are following closely the electoral process and are concerned about the financial cost of the promises being made by the candidates." He added that international financial organizations are following the Paraguayan electoral process very closely.

Credit Can Be Suspended

BCP experts have pointed out that international financial organizations are concerned especially about the promises being made by some politicians who, if elected, might disregard some financial organizations' recommendations on public expenses, inflation control, privatizations, lower subsidies, and so forth. [passage omitted]

Japan Can Forgive Arrears

Referring to other issues discussed during the meeting, the BCP president explained that Japan may cancel Paraguay's arrears, as France and Spain did. He pointed out that the debt problem with the private banks is about to be solved.

He added that this debt, which totals approximately $8 million, is being negotiated. He concluded: "We believe that soon this debt will be paid for."

Peru

Shining Path Leader Guzman, Guerrillas Arrested

PA1309054392 Lima Radio Programas del Peru Network in Spanish 0508 GMT 13 Sep 92

[Text] Another of our mobile units is at the DINCOTE [Counterterrorism National Directorate] located on Spain Avenue in the new prefecture building. The interior and defense ministers are coordinating actions at this moment. They are awaiting the results of the fingerprint tests to confirm definitely the capture of terrorist Abimael Guzman, who was reportedly captured with two other females. Media representatives are in the local police office in Surco and at the DINCOTE awaiting the possible arrival of Interior Minister Juan Briones.

The information we have received from our direct sources indicate that terrorist Abimael Guzman at the time of his capture did not offer any resistance and was not armed. This is the latest information we have received. We will expand on this information at any moment.

This is the news of the century, the capture of one of the most sought after terrorists in this part of the continent—Abimael Guzman.

[Lima Panamerica Television Network in Spanish at 0515 GMT reports: "Abimael Guzman, founder of the Shining Path, was arrested tonight with eight supporters—four men and four women—General Antonio Vidal, DINCOTE director, has confirmed."]

Capture 'Beheads' Organization

PA1309074092 Lima Radio Panamericana Television Network in Spanish 0630 GMT 13 Sep 92

[Excerpts] Good evening. National Police reinforcements continue to arrive to cordon off the perimeter of the prefecture building where Abimael Guzman is under arrest. The news has been confirmed by "24 Hours." Here is the report:

At 2005 hours on the night of Saturday, 12 September, one of the most spectacular news reports of the decade took place. The DINCOTE [Counterterrorism National Directorate] of the Technical Police, in a totally secret operation, captured Abimael Guzman Reynoso, alias Comrade Gonzalo, Peru's public enemy number one. The terrorist was captured with five other persons as he was preparing the third plenary of his party. They were planning actions to be carried out in Lima in October.

This house 459, located on First Street in Los Sauces neighborhood in the Surco District of Lima, was Abimael Guzman's hideout. Miriam Ibarraguirre—Comrade Miriam—charged with organizing the party congress, was captured with Guzman.

According to the preliminary statements by DINCOTE detectives, the terrorists offered no resistance during the police operation. In the early morning hours, several detectives were deployed strategically at several parts of the street to try to establish with certainty the terrorist leader's presence. When the police finally decided to enter the house, they were sure he was inside. The residents of the area heard some shots fired by the detectives to warn curious onlookers not to go near the windows in the event the terrorists offered resistance. [passage omitted]

At approximately 2130 hours, the prosecutor general arrived at the house to make a report on all the objects and documents that were found inside the home. The group of detectives who had made the capture were

celebrating with joy, justly so, this success of the DINCOTE on capturing Abimael Guzman Reynoso. It was initially said he had been taken to the Little Pentagon, but later reports were confirmed that he was under arrest in the DINCOTE jail on Spain Avenue in Lima.

A news conference is expected tomorrow [13 September] when he will be presented to local and foreign reporters, and above all, to the 22 million Peruvians who have been the victims of his savagery and dementia. The president of the Republic is expected to be at the news conference. This news is of great significance for us reporters who have for almost 10 years covered reports in Lima and in other parts of the country on the crimes and attacks staged by the Shining Path led by Abimael Guzman Reynoso. It must definitely be of great significance for all Peruvians, who one way or another have been affected by the actions of this subversive group.

The capture of Abimael Guzman beheads the Shining Path group, but it does not necessarily mean that they will immediately stop their actions. Since he is a mystical figure and had virtually become a legend, his capture will in any event discourage the actions of the terrorists. As we have stated in this preliminary report, the terrorists were captured as they were preparing actions intended to cause a lot of harm during the month of October.

Weeks ago, there were many rumors that on or about 12 October, there would be numerous attacks in Lima. Abimael Guzman is now in jail. In a few hours, he will be presented as just another criminal to national and foreign reporters. Definitely, his capture is the result of a correct policy carried out by the government to place intelligence first, rather than the indiscriminate repression, as had been done in the past few years. The last images of Abimael Guzman were transmitted to the public approximately eight or nine months ago. They were the images where Abimael was shown with the leadership of his party, celebrating in a home close to the place where he has now been captured. [passage omitted]

Guerrillas Named

PA1309185192 Lima Frecuencia 2 Satelite Television in Spanish 1820 GMT 13 Sep 92

[Text] We are going to repeat the names of the guerrillas arrested last night in the spectacular Counterterrorism National Directorate raid. They are: Paulo Fernando Montalvan Tuesta, Maria Pilar Zuniga de Montalvan, Raul Renato Romero Ceballos, Giselda Elvira Kanecapacoch, Miguel Fernando Ruiz Cornejo Margel, Luisa Maria Castanola Otariz, Oscar Mario Pimentel Castanola, Luisa Pimentel Castanola, Alfonso Marchela Ruiz, Enrique Fernando Torres Calderon Garate, Abimael Guzman Reynoso, Elena Albertina Reboredo Iparaguirre, Maria Pantoja Sanchez Celso Garrido Lecaseminario, Laura Zambrano Badilla, Maritza Garrido Leca Rizco, Carlos Andres Inchaustigui Degoela, Carmen Aguapara Benalillo, German Cipiantavara, Nancy Ruiz Nano, Jose Palomino Sanchez, and Roberto Pizarro Cohen.

Dincote Chief Issues Statement

PA1309182892 Lima Radio Programas del Peru Network in Spanish 1803 GMT 13 Sep 92

["Personal Letter" from General Antonio Vidal Herrera, director of the Counterterrorism National Directorate, Dincote, sent to Radio Programas del Peru Network in Lima on 13 September]

[Text] A few minutes ago I heard a report stating that there are three versions regarding the arrest of Manuel Ruben Abimael Guzman Reynoso. In this regard I wish to state emphatically and seriously that the arrest of the Shining Path leader was the result of long and silent intelligence work carried out exclusively by the Counterterrorism National Directorate [Dincote], which I am honored to head. This note is only aimed at clarifying the truth.

Likewise, we appreciate the support this important radio station has always given the Dincote.
[Signed] General Antonio Quetin Vidal Herrera

Dincote Director

Fujimori Credits Intelligence for Capture

PA1409055992 Lima Radio and Television Networks in Spanish 0415 GMT 14 Sep 92

[Address to the nation by President Alberto Fujimori from the Gold Room in the Government Palace in Lima—live]

[Text] Good evening, compatriots. All Peruvians know what the capture of Abimael Guzman, alias Comrade Gonzalo, means because we are aware of what the terrorist Shining Path group stands for. It stands for destruction, death, and drug trafficking. This evil figure embodies the methods and goals of this bloody organization. It is extremely complex and contradictory.

More than one year ago, common Peruvian citizens had an opportunity to know about Abimael Guzman through a video. Instead of a revolutionary leader, who had fabricated a myth, they saw a drunk clumsily doing a Greek dance surrounded by some young drunk women in front of a wall of pictures of the founders of communism.

Since then, intelligence services and the Counterterrorism National Directorate [Dincote] have followed the steps of Guzman and his followers. The weaknesses of this individual yielded a new success, which is a success of great importance. It is curious but the most clever criminals are surprised in this manner. The leader of Shining Path did not escape this fact.

The National Police stormed into one of the Shining Path hideouts when part of its hierarchy lowered its guard in an unthinkable manner for a group of this sort. It is difficult to link the marches of Shining Path militants with their Maoist ritual carried out in jails in the

past, which was part of their propaganda, and their top leadership's parties in which Greek music combined easily with Scandinavian vodka and other luxuries.

That is a moral sample of this man. The man who forcefully recruited children for bombs transport and suicidal operations. This is Abimael, the exterminator, but also Abimael, the pleasure seeker. In sum, a monster. We are facing a monster. This is the man who ordered with a truly inhuman coldness the crime against Mrs. Moyano and the massacre of Tarata Street. This is the man who many times ordered suicidal incursions into villages and peasant towns where men and women were beheaded and mutilated.

This is the man who pushed aside all principles that fed his revolutionary creed to become the main hired assassin of drug trafficking in Peru. Money produced by drugs financed not only his personal luxuries and eccentricities and those of his closest group, but a whole narcoterrorist diplomacy in Europe, because Shining Path ambassadors were financed abroad with part of this immense contribution of the drug cartels: Adolfo Olaichea in Great Britain, (Alberto Ruiz Eltretch, Jr.) in France, Luis Arce Borja in Belgium, Javier Mujica Contreras in Spain, Carlos Latorre Cordoba in Sweden, and many others dispersed in several European countries.

Guzman, however, has made his youngest followers, who are the ones who suffer the brunt of the fighting, believe that his link to drug trafficking is a lie perpetuated by this government. Those youths, who are cannon fodder and have never seen nor dreamed of the luxuries of the Shining Path hierarchy, still believe there is no link between the Shining Path and drug trafficking.

Abimael Guzman, we must recognize, is a diabolical genius. For 12 years, he has confused a sector of the Peruvian youth, democratic governments, and even international organizations, which have given him support in many forms—including asylum for his assassins. It took 12 years for the international community to realize that it was facing a war criminal, a genocidal person, who has many things in common with the fascist war criminals of World War II. In 12 years, the malevolent genius of Comrade Gonzalo sowed death and destruction under the silent, protective cloak of organizations that defend human rights. Peru had to count its dead, bury its dead, and remain impotent. The human rights of a terrorist, genocidal band were more important than the rights of 22 million Peruvians.

Let the world know that this has been the cost we Peruvians have had to pay. Let the world hear us and unite with the people who want to see the time of peace arrive. Let the civilized governments of the world close their doors to the Shining Path, those who are more than violators of human rights, who say they want to wage the Peruvian revolution and ally themselves with the drug cartels and exterminate the people who oppose them. This was the man who, with his monstrous background, said he wanted to build a new democracy.

Fellow citizens, I am committed to defeat the terrorist groups before 1995. This capture must not be interpreted as a victory. We must not be triumphant or let our guard down for a single second in the face of these fanatics and criminals. We must be realistic at all times. We must be convinced, however, that with this new strategy and with our firm determination to win, we will defeat an enemy who has become increasingly difficult to defeat. Despite what many people may say on television, moved perhaps by political interests, I know that you are aware of a new strategy that is yielding results.

As long as you do not think to the contrary, we will continue with this strategy. I cannot go into details, but you already know that the master plan of this strategy is to encourage the people to support the state and the Armed Forces. If the people and authority go on different paths, we cannot defeat terrorism.

As president of Peru, I have issued precise instructions, clear directives in that sense, so that the law enforcement forces work with the people and earn their respect. This struggle must be selective, not indiscriminate, as in the past. We must capture terrorist criminals without causing any harm to the innocent people. This new attitude is yielding great and significant results. I have seen it in all Peru—in Asangaro, in Vilcas Huaman, in the Apurimac valleys, in Mantaro, in the young towns of Lima, in Guaycan, Canto Grande, in San Juan de Amancay; and in the universities, such as San Marcos, or San Cristobal of Huamanga. The lack of confidence in and rejection of the law enforcement forces experienced a few years ago is turning into confidence and cooperation.

In every one of these places, places never visited by a president, the fear of terrorists has vanished. I am not saying that people support me. This is not propaganda. I am saying people no longer feel abandoned by the state. Some time ago, when we showed the well-known video of Guzman's hideout, I called on the people. I said Peruvians, the 22 million of us, are facing a small group of fanatics. Now, Peruvians realize a small and crazed drug-trafficking sect cannot defeat a country.

To be sure, some major conditions had to change in order for citizens to begin to believe in themselves. We cannot ignore that one of the persons arrested with Guzman is Mechi Zambrano Padilla. She is well known because she was among the many who were released before 5 April by the judicial branch and the imitation democratic system that existed then. Since that time, thanks to the new antiterrorist legislation, these criminals no longer participate in mock trials where they can threaten—as did in fact happen—the authorities. Instead, they are now tried by military courts where sentences are handed down swiftly and later, if found guilty, they are jailed.

The jails are no longer indoctrination centers, schools of crime, or places where executions and attacks are ordered. You know this is over for good. Added to all these measures is the creation of Peasants Defense Patrols and Urban Self-Defense Committees. We have intervened in universities, academies, and other indoctrination centers. All these operations were complemented with a new antiterrorist law, which for the first time meant the results of police and repressive actions were not in vain. The previous legislation, with its voids, contradictions, ambiguities, and obvious obsolescence, served the Shining Path's purposes.

On this aspect, we must not forget the large number of criminals the judicial branch exonerated in the most absurd manner. We now have to marshal our forces to finalize the defeat of this terrible social scourge. For that reason, I repeat we must not be overconfident. Nothing could be more disastrous for Peruvians than lowering our guard now. Let us say yes to optimistic sentiments, however. We can defeat our enemies, the enemies of Peruvian families, if each and every one of us works toward that goal with determination and faith.

Now more than ever, citizens know these individuals are not almighty. The diverse and significant demonstrations by the people today, welcoming the arrest of the Shining Path leaders, fully shows the existence of a wave of rejection for the Shining Path. That gigantic wave, basically stemming from the people, is demanding that we move forward to conquer peace, and of course, the development and progress of Peru. Fear became a thing of the past a long time ago. It was buried by outrage. I am sure that every one of you is a victim of the Shining Path—not just because you have lost loved ones at the hands of these criminals, but also because you have lost a great deal or part of what you owned as the fruit of your labors.

In 12 years of crazed and savage destruction, $20 billion has been lost in this impoverished country, which has become even more impoverished. In addition, 25,000 lives have been lost. I believe I know what the people think should be done with this criminal, who has caused so much damage to Peru. They will not be disappointed. The people should not doubt that he will receive the maximum punishment possible.

Fellow countrymen: A new country with confidence in itself is being born. Peruvians are ready to end terror. Since 5 April, national unity has existed among the people. Large majorities rejected the vices and defects of a false democracy and now want an authentic democracy to end the biggest scourge of our republican history.

My congratulations on behalf of Peru to Dincote, a National Police agency, for its efficient and committed work. Once again, my tribute to all the victims of the terrorist insanity and to their relatives, their orphaned children, and widowed mothers. Know that these crimes will not go unpunished. Thank you, and good night.

State of Emergency in Apurimac Extended

PA1309064292 Lima Radio Programas del Peru Network in Spanish 0630 GMT 13 Sep 92

[Text] The government extended for 60 days the state of emergency in Apurimac Department in view of the persistence of subversive actions in that zone.

While the measure is in force, the Armed Forces will remain in Apurimac to safeguard the internal security of the department, according to provisions of the law.

Police Arrest 800 People During Raid in Lima

PA1109173492 Madrid EFE in Spanish 1632 GMT 9 Sep 92

[Text] Lima, 9 Sep (EFE)—The Peruvian National Police reported on 9 September they had arrested approximately 800 people, including at least 50 alleged members of the Maoist Shining Path organization, during an antiterrorist raid in Lima on 8 September.

Soldiers and policemen surrounded "El Pino" hill in the Lima La Victoria district and made a house-by-house search to arrest terrorist suspects and people without documents. The raid took place after two car bombs exploded during the 4 September weekend, which left 16 people dead and destroyed a gas station, a radio station, and a police station.

Several prosecutors accompanied the combined military and police forces during the nine-hour raid. A census of the people who live in the "El Pino" hill was also taken during the raid, as the area was totally encircled and people could not escape.

It was reported the police had arrested common criminals, as well as possible terrorists during the raid.

According to residents, suspicious people had started to move into the neighborhood lately. They also reported the hammer and sickle had been formed with torches on the hill after the car bomb attack of a gas station, which killed 11 people, on 6 September.

Graffiti with subversive slogans was also seen in several of the houses that were raided. Not much material was found in the houses, except for a military uniform found on a street and some "subversive propaganda."

Some newspaper reports stated that weapons and ammunition were seized in some of the homes of the 5,000 families inhabiting "El Pino" hill on the outskirts of Lima.

This is the second raid in less than a week in a Lima neighborhood to arrest terrorists.

On 4 September, authorities raided the "Juan Pablo II" settlement in the Canto Grande district, which is considered a "red zone" in the Peruvian capital.

Peruvian President Alberto Fujimori will meet with high-ranking Army officers to discuss new antisubversive measures.

Fujimori also held a long meeting on 8 September with military commanders and members of the national intelligence corps to study security measures in light of the new attacks by Shinning Path in Lima.

According to political observers, it is feared the rebels might start a wave of violence aimed at boycotting the constituent elections on 22 November and the municipal elections in January 1993.

Fujimori Swears in New Energy Minister

PA1209040492 Lima Global de Television Network in Spanish 0100 GMT 12 Sep 92

[Text] President Alberto Fujimori swore in Daniel Hokama Tokashiri as the new minister of energy and mines, during a ceremony on 11 September at the presidential palace, in presence of national authorities. In his initial statements, the new minister said that his first job would be to improve nationwide electricity production. He stressed that the privatization process would continue.

[Begin recording] [Fujimori] Engineer Daniel Hokama, do you solemnly swear by God and these holy scriptures, to carry out the job of minister of state, in the post of minister of energy and mines, which I hereby entrust in you?

[Hokama] I do.

[Fujimori] If you do, may God bless you. If not, He and the country will hold you accountable. [applause] [end recording]

Thus President Alberto Fujimori swore in Daniel Hokama Tokashiri as the new minister of energy and mines. He is an engineer by profession with 25 years of experience. He received his degree at San Marcos National University. He is a specialist in the area of electricity and, until now, held the post of vice minister of energy and mines. This is just part of Hokama's professional resume, reason enough for President Fujimori to appoint him as the successor to Jaime Yoshiyama, who recently resigned. All of the cabinet ministers and other high authorities, except the minister of economy, were present for the ceremony, which took place in the Golden Room of the Presidential Palace.

[Begin recording] [Hokama] To face this energy crisis, I believe that we must call on the people. I am not trying to justify the situation, but explain it. Rationing is due to a lack of water and rain in the system. I think the population must realize that we must conserve. In cases such as this, the people must cooperate by trying to reduce consumption, so that the little energy that is available, can be used for production.

[Unidentified reporter] If, as you say, electricity is being rationed, why are the bills so high? Why are the tariffs so high?

[Hokama] The price reflects the cost of the service. I believe it is better to pay the service in order to prevent power outages in the future, such as the one we are experiencing now. We are now paying the consequences of previous carelessness. [end recording]

Former Minister To Seek Election to CCD

PA1109143692 Lima Global de Television Network in Spanish 0100 GMT 11 Sep 92

[Text] Former Foreign Minister Carlos Torres y Torres Lara admitted on 10 September that he will run in the November elections. He said his independent ticket may join either the Change 90 or Jaime Yoshiyama tickets.

[Begin recording] [Torres y Torres] I would like to announce that the group of independents that is forming a ticket to run in the Democratic Constituent Congress [CCD] elections has completed work on a document that contains the constitutional reforms we consider necessary.

[Unidentified reporter] Can you confirm that you will run on Engineer Yoshiyama's ticket?

[Torres y Torres] What I can say is that ours is an independent ticket. I can announce that we have initiated talks with engineer Yoshiyama to start seeking and defining ways to cooperate once we are elected to the CCD on our respective tickets. We have not dismissed the possibility of working together as of now through joint efforts and initiatives. [end recording]

APRA Proposes Coalition for CCD Elections

PA1109174592 Lima Panamericana Television Network in Spanish 1200 GMT 11 Sep 92

[Text] We reported on 10 September there were three movements within the American Popular Revolutionary Alliance [APRA]. The third movement won because its views prevailed at a meeting of the APRA's National Executive Committee. The initiative submitted by Senator David Cifuentes, which Senators Luis Alberto Sanchez and Eugenio Chan Cruz joined, defeated the abstention movement endorsed by Acting Secretary General Mercedes Cabanillas. The proposal approved by the APRA National Executive Committee and lawmakers notes the party's willingness to participate in the Democratic Constituent Congress [CCD], but only if a broad front is created against the dictatorship—as they put it. According to the Cifuentes proposal, Popular Action, Popular Christian Party [PPC], Liberty Movement, leftists and independents, in addition to the APRA, would form this front. If this front is not created, since it depends on many parties, the APRA would not participate in the CCD elections but would prepare multiparty registration lists for the municipal and regional elections. A plenary meeting of the APRA

would have to reaffirm or modify the proposal on 20 September, meaning there is little time left. This period is very important, considering the PPC will also reach a decision on 18 September. What will happen?

Venezuela

Government Deports Italian 'Mafia' 'Godfather'

PA1209164092 Paris AFP in Spanish
1538 GMT 12 Sep 92

[Text] Caracas, 12 Sep (AFP)—Authorities reported on 12 September that the Venezuelan Government on 11 September deported Pasquale Cuntrera, considered an important "godfather" of the Italian Mafia, and his two brothers, Paolo and Gaspare.

The Cuntrera brothers were placed under the orders of the Italian authorities on the night of 11 September.

Before being deported, the Interior Ministry issued a special resolution stripping Pasquale Cuntrera of his Venezuelan citizenship because it considered that "he obtained it for the purpose of evading the effects of the law of his country of origin."

The Interior Ministry said the Cuntreras had been sought since February 1983 by the Italian Prosecutor's Office on charges of being part of an "association of criminals involved in drug trafficking and other crimes."

Interior Minister on Deportations

PA1209175892 Paris AFP in Spanish
1720 GMT 12 Sep 92

[Text] Caracas, 12 Sep (AFP)—Interior Minister Luis Pinerua announced on 12 September that the Venezuelan authorities have conducted searches of several properties belonging to brothers Pasquale, Gaspare, and Paolo Cuntrera, considered to be "godfathers" of the Italian mafia and deported on the night of 11 September to Italy.

The minister told the media that in those searches, documents were found "which provide definite clues to uncovering the immense drug trafficking network directed by the Cuntrera brothers in Venezuela." He also said all their property will be confiscated.

"The investigations in search of the Cuntrera brothers culminated four days ago with the arrest of the three brothers. The arrest was made with all the necessary caution and precision, but we had not wanted to reveal it until we were ready to take the final step (turning them over to the Italian authorities), which took place on the night of 11 September," the minister said.

In order to be deported, Pasquale Cuntrera was deprived of his Venezuelan citizenship through an Interior Ministry special resolution.

According to sources close to the Venezuelan Government, Paolo and Gaspare had Canadian citizenship.

Pinerua indicated that Pasquale Cuntrera obtained Venezuelan citizenship in 1983 "to evade a warrant for his arrest that existed in Italy." He did not explain how Cuntrera obtained citizenship.

According to the minister, the Cuntrera brothers were wanted by the authorities of Germany, Canada, Italy, and the United States.

The Cuntrera brothers are said to be drug money "launderers" and were mainly involved in buying property in Venezuela, according to sources of Congress, which is investigating the presence of Italian mafia members in Venezuela.

The Venezuelan Interior Ministry said the Cuntrera brothers have been sought since February 1983 by the Italian Prosecutor's Office for being part of an "association of criminals involved in drug trafficking and other crimes."

More on Arrest, Deportation

PA1209223292 Mexico City NOTIMEX in Spanish
2112 GMT 12 Sep 92

[Text] Caracas, 12 Sep (NOTIMEX)—The Venezuelan Government arrested and deported three Italians, who are presumed to be kingpins of the Sicilian Mafia and accused of drug trafficking, among other crimes, it was reported on 12 September.

The Italians, who were deported on the evening of 11 September, are the Cuntrera brothers—Pasquale, Paolo, and Gaspare—who were arrested days ago in Puerto La Cruz, about 330 km east of Caracas.

Interior Minister Luis Pinerua said "we expelled these three mafiosos from the country and revoked the Venezuelan nationality of top kingpin Pasquale Cuntrera."

The three brothers were born in Italy, but Pasquale obtained Venezuelan citizenship in 1983 to evade judicial process in Italy. Paolo and Gaspare are Canadian nationals.

The official explained that after the Judicial Technical Police arrested the suspects, they raided hotels and offices belonging to the Cuntrera family and seized jewelry valued at about $30,000.

Pinerua said "the arrest and deportation of the Cuntrera brothers is the most important action against drug trafficking in the past two decades. This is the beginning of an exhaustive battle against drug trafficking in Venezuela."

Pasquale Cuntrera is wanted by the International Criminal Police Organization (Interpol) for crimes he committed in Italy, Germany, Canada, and the United States, where he has been charged with trafficking

heroin, money laundering, conspiracy, and criminal associations, among other crimes.

Press reports indicated that in Venezuela the Cuntrera brothers were an arm of the "mafia," and were responsible for the recent killings of the organized crime judges Giovanni Falcone and Paolo Borsellino.

Pinerua confirmed reports that the Cuntrera brothers controlled a personal fortune of $500 billion through criminal networks in London, Geneva, Malta, Montreal, Miami, and Caracas.

The Federal Bureau of Investigation (FBI) has held the Venezuelan branch of the Italian mafia accountable for sending half of the heroin that entered the United States up to 1982, estimated at approximately three tons per year.

The Venezuelan minister indicated that Paolo and Gaspare have criminal records for trafficking drugs and money laundering in Italy, Canada, and the United States.

Pinerua Reports Arrest

PA1309011392 Caracas Venezolana de Television Network in Spanish 0015 GMT 13 Sep 92

[Text] The National Police dealt a strong blow to drug trafficking with the arrest and deportation of Italian brothers Pasquale, Paolo, and Gaspare Cuntrera. This was stated by Venezuelan Interior Minister Luis Pinerua Ordaz, who held a news conference in his office. Pinerua was accompanied by Justice Minister Jose Mendoza Angulo, and Mauro Yanez Pasarela, director of the Judicial Technical Police.

Pinerua Ordaz explained that the Venezuelan authorities had been investigating the Cuntrera Espataro brothers for a long time because the U.S. authorities accused them of being linked to the Cosa Nostra and responsible for international narcotrafficking. The Italian Government wanted them because they were linked with the assassination of two judges who tried to unmask them in the Italian courts.

The police decided to revoke the Venezuelan nationality of Pasquale Cuntrera Espataro and arrest him and his brothers, Paolo and Gaspare, and to deport them immediately.

[Begin Pinerua recording] The information and documents available to us will serve to determine the ill-gotten assets of these individuals in Venezuela so that, if Venezuelan justice so disposes, they can be regained or recovered for the state treasury. [end recording]

Perez Reports 8.5 Percent Growth in 1st Quarter

PA1209014892 Caracas Venezolana de Television Network in Spanish 0000 GMT 11 Sep 92

[Report by Milagros Rodriguez]

[Text] President Carlos Andres Perez said the economic results of the first quarter of 1992 have turned Venezuela into a challenge for Latin America. Thus, he added, nations of the region would be discouraged should macroeconomic policies that currently are being implemented fail.

[Begin Perez recording] It came as a surprise to all Venezuelans—even to the government itself—that the Venezuelan economy grew by about the same rate during the first quarter of 1992 as during the same period of 1991. One almost certainly would have expected that the difficult and turbulent times we have experienced during the first quarter would affect the economy and national and foreign investment. The productive sector, however, has placed so much trust in the ongoing process in Venezuela, that the economy resisted blows and grew by 8.5 percent during the first quarter of 1992. [end recording]

President Perez thinks this economic growth is gaining importance especially now when petroleum prices have dropped and international reserves are high. He also thinks this constitutes a clear signal that national and foreign investments are being made and capital is returning to the country. The president added Venezuela is ready to negotiate a free trade agreement with the United States within the framework of the Initiative for the Americas.

Demonstrators Demand To See Chavez Video

PA1209014192 Paris AFP in Spanish 1612 GMT 11 Sep 92

[Text] Caracas, 11 Sep (AFP)—Hundreds of persons staged a street demonstration in downtown Caracas shortly before 1600 GMT on 11 September, demanding their rights to see in City Hall a banned video film of an interview with a rebel military leader.

The Caracas police seized the audio-visual equipment and briefly detained the men who were going to operate the equipment, some people who were just watching the demonstration, and a radio reporter who was trying to cover the incident.

The video film contains statements by Lieutenant Colonel Hugo Chavez, the incarcerated leader of the young Army officers who tried to oust President Carlos Andres Perez on 4 February 1992.

The military court that is handling Chavez' case banned the broadcast of this video film in the program "Jose Vicente Today," on the Caracas Television Channel 10, claiming that active service military cannot make political statements.

Program host Jose Vicente Rangel showed the video film to newsmen in his home and at the Caracas Scientific Association. Nonetheless, when Dario Vivas, vice president of the Caracas Municipality, tried to show it in City Hall, the police stopped him.

At noon (1600 GMT) Vivas was negotiating with police for the return of the videocassette and the equipment. At the same time, hundreds of people demonstrated in front of City Hall demanding to see the film, while the police placed a cordon around City Hall and nearby public buildings.

Statistics Show Drop in Unemployment Level

PA1209042492 Caracas Venezolana de Television Network in Spanish 0000 GMT 9 Sep 92

[Text] According to the Central Statistics and Data Processing Office, OCEI, unemployment dropped to 8.4 percent because of an increase in the number of private businesses and thus, in the number of jobs.

OCEI released these figures which correspond to the first half of 1992. According to them, of the 7.4 million people who participate in the country's economic activities, 91.6 percent have jobs. However, these figures show a very curious aspect: 62 percent of the formal employment sector are men while 37 percent, almost half [as heard], are women.

The report notes that the country's manufacturing activity has increased. The number of finished products that are being exported also increased, this results in more investments, thus leading to greater industrial growth and less imports. Consequently, we are less dependent on other countries.

All these figures show a decrease in the informal labor sector which is represented by those who do not work for any institution, for example, maids and street vendors.

[Begin OCEI President Felix Seijas recording] It must also be mentioned that unemployment did not only drop because of an increase in the informal labor sector. It must be said that the formal economy is enlarging its labor force. If you look at the figures, this increase rose from 39 percent to 61 percent. In other words, the formal sector is absorbing unemployment in Venezuela, meaning that this sector is increasing its labor force. [end recording]

Seijas also stressed that one can talk of decentralization of employment because, in Caracas, the employment level has remained stable while it went up in the country's interior with the creation of new jobs.